

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL  
CHENNAI**

REGIONAL BENCH - COURT No. I

**Customs Appeal No. 40440 of 2015**

(Arising out of Order-in-Appeal C. Cus II No.317/2014, dated 24.12.2014 passed by Commissioner of Customs (Appeals-II), Chennai)

**M/s. Coromandel International Ltd.,**  
No.1-2-10 Sardar Patel Road,  
Coromandel House,  
Secunderabad 500 003.

**.... Appellant**

*VERSUS*

**Commissioner of Customs**  
Custom House No.60, Rajaji Salai,  
Chennai 600 001.

**...Respondent**

**And**

**Customs Appeal No. 40774 of 2025**

(Arising out of Order-in-Appeal C. Cus II No.361/2025, dated 20/24.03.2025 passed by Commissioner of Customs (Appeals-II), Chennai)

**M/s. Coromandel International Ltd.,**  
No.1-2-10 Sardar Patel Road,  
Coromandel House,  
Secunderabad 500 003.

**.... Appellant**

*VERSUS*

**Commissioner of Customs**  
Custom House No.60, Rajaji Salai,  
Chennai 600 001.

**...Respondent**

**APPEARANCE :**

Shri Rohan Muralidharan, Advocate for the Appellant

Shri Sanjay Kakkar, Authorised Representative for the Respondent

**CORAM :**

**HON'BLE MR. M. AJIT KUMAR, MEMBER (TECHNICAL)**

**HON'BLE MR. AJAYAN T.V, MEMBER (JUDICIAL)**

**FINAL ORDER Nos.41410-41411/2025**

DATE OF HEARING: 07.08.2025

DATE OF DECISION:02.12.2025

**Per Ajayan T.V.**

These two appeals arising out of different impugned Orders in Appeal, involving the same parties and similar issues, have been heard together and are being disposed of by this common order.

1. M/s. Coromandel International Limited, the appellant, is aggrieved by the impugned Orders-in-Appeal C. Cus. II No.317/2014, dated

24.12.2014 & C. Cus. II No. / 361 / 2025, dated 20/24.03.2025 passed by the Commissioner of Customs (Appeals-II), Chennai up-holding the Order in Original of the respective adjudicating authority, rejecting the classification of Zinc-EDTA under Customs Tariff Item 3105 0000 adopted by the appellant while importing the same and holding it to be classified under CTI 2922 4990.

2. Relevant facts are that the Appellant is engaged in the manufacture and sale of fertilizers. In the course of its business, the Appellant imported good declared as 'Zinc EDTA' ("**subject goods**") *vide* Bills of Entry filed in the year 2010. The appellant states that the subject goods are chelated micronutrient fertilizers containing Zinc in a form which can be easily absorbed by plants. During the period of dispute, the appellant procured the subject goods from two suppliers viz. M/s. Akzo Nobel, Netherlands and M/s. RNZ DMCC, Dubai (Chinese Origin). At the time of import, the Appellant classified the subject goods under CTI 3105 9090 as "other fertilizers". However, based on investigations by Directorate of Revenue Intelligence, Chennai, the Department took the view that the said goods being an organo-metallic complex compound (a coordination compound) consisting of acyclic amino acids and a zinc complex in conjunction with a di-sodium salt, merits classification under Tariff Item No. 2922 4990 of the Customs Tariff Act, 1975 as "salts of Amino acids.".
3. Accordingly, Show Cause Notice dated 17.08.2010 in F. No. VIII/26/229/2010 ("SCN-A") was issued to the Appellant in respect of Bill of Entry Nos. 437625 dated 18.02.2010 and 454894 dated 11.03.2010 proposing reclassification of the subject goods under CTI 2922 4990. Subsequently, another Show Cause Notice dated 03.02.2011 in F. No. VIII/26/229/2010 ("SCN-B") was issued in respect of Bill of Entry No. 584790 dated 31.07.2010, making identical proposals. The essential premise of both the SCNs are summarized below–
  - a) The subject goods are separate chemically defined compounds. As per the Chapter Note 1 (b) to Chapter 31, the said chapter does not cover separate chemically defined compounds other than those answering to the description in Chapter Note 2(a), 3(a), 4(a) or 5 of Chapter 31. The subject goods do not fall under the

aforesaid chapter notes. Thus, the subject goods cannot be classified in Chapter 31 in terms of the exclusion clause as per Note 1(b) of Chapter 31.

- b) The subject goods cannot be classified in Chapter even in terms of Chapter Note 6 to Chapter 31 as the nitrogen present in the subject goods cannot be considered as an essential constituent.
  - c) As the said compound is an organo-metallic complex compound (a co-ordination compound) consisting of acyclic amino acids and a zinc complex in conjunction with a di-sodium salt, it appears that the said item merits classification under CTI 2922 4990 as "*Salts of Amino-acids*".
4. The SCNs proposed demand of differential duties under Section 28(1) of the Customs Act along with the applicable interest. The SCNs also proposed to hold the subject goods liable for confiscation under Section 111(m) and impose penalty under Section 112(a) of the Customs Act.
  5. In response, the Appellant submitted replies to both SCNs, contending that the subject goods are micronutrients, not chemically defined compounds, and are correctly classifiable under CTH 3105. Further, the Appellant also contended that the classification of the subject good has been decided under CTH 3105 in various tribunal decisions.
  6. Thereafter, SCN-A was adjudicated first, resulting in issuance of Order-in-Original No. 17465/2011 dated 11.10.2011, wherein the Ld. Adjudicating Authority ("LAA") confirmed all the proposals in the SCN-A. Meanwhile, SCN-B was placed in the call book and kept pending.
  7. Aggrieved by the LAA order, the Appellant preferred an appeal before the Ld. Commissioner of Customs (Appeals) who then directed a pre deposit and subsequently dismissed the appeal for not depositing the pre-deposit directed. The appellant had preferred an appeal against the said dismissal before this Tribunal and consequent to an order, the matter was decided by the Ld. Commissioner of Customs (Appeals) without insisting on pre-deposit, and has culminated in the impugned Order in Appeal C.Cus II No.317/2014 dated 24.12.2014 rejecting the appeal preferred by the Appellant holding that the said goods merit classification under customs tariff heading 2922 and more suitably under the subheading 29224990 as against customs tariff heading 31059090 as claimed by the appellant.

8. The Ld. Commissioner of Customs (Appeals), vide the impugned Order in Appeal dated 24.12.2014, found that:
- a) In the instant case, the subject goods are separate chemically defined compounds which merit classification under the CTH 2922 and the HSN Explanatory Notes which defines the exclusion clause to CTH 3105 also confirms the same.
  - b) Further, the small amount of nitrogen present in the subject goods is insignificant for any purpose whatsoever and therefore the goods would not cover as per the Chapter Note 6 to Chapter 31.
  - c) The Board has also clarified the issue in Circular No. 392/25/98-CX, dated 19.05.1998. The validity of circular as regards the criteria to be adopted for determining the classification of Micronutrients has been upheld by the Hon'ble Supreme Court reported in 2008 (227) ELT 0012 SC.
  - d) Dr K. Vidyasagar, Professor, Department of Chemistry, Indian Institute of Technology, Madras, has certified that the said items is a separate chemically defined compound.
9. In the interregnum, SCN-B was taken out of the call book on 19.10.2022 for adjudication. The LAA passed Order-in-Original No. 21/2023 dated 13.03.2023, confirming all proposals in SCN-B. The Appellant, aggrieved by this order, filed an appeal before the Ld. Commissioner (Appeals), against the same which met with the same fate, viz., rejection of the appeal. The appellate authority, vide the impugned Order in Appeal Seaport.C.Cus.II No.361/2025 dated 20.03.2025, found that the subject goods are suitable for classification under CTH 2922 i.e. Oxygen-function-amino-compounds Amino - alcohols, other than those containing more than one kind of oxygen function, their ethers and esters; salts thereof. The goods are to be classified and assessed at the time of import based on the direct impression of the goods along with customs tariff act and rules of interpretation. The final usage or consumption of the goods does not hold any implication regarding the classification of the goods. Hence the Appellate Authority was of the view that there cannot be any disagreement on the issue that the declared item is to be assessed under CTI 29224990.

10. Aggrieved by the impugned orders, the Appellant is now before this Tribunal.
11. We have heard Shri. Rohan Muralidharan, Ld. Advocate appearing for the appellant and Shri. Sanjay Kakkar, Ld. Authorised Representative, appearing for the Respondent on 29.07.2025, on which date both parties were permitted to address the issues raised by the opposite side by way of written submissions and the matter was posted to 07.08.2025 on and by which date both parties submitted their written submissions, and the orders were reserved.
12. Shri Rohan Muralidharan, Ld. Advocate appearing for the appellant contended as under:-
  - a) The subject goods are chelated micronutrient fertilizers containing Zinc in a form which can be easily absorbed by plants. The said goods are commonly used to overcome the Zinc deficiency in crops, improve their growth and yield, and enhance the overall plant health. The subject goods have both soil and foliar applications, in other words, they can either be mixed with the soil or can be sprayed on the standing crops.
  - b) The issue of classification of the subject goods is no longer *res integra* as the issue has been conclusively settled *vide* decisions passed by various tribunals in multiple cases, including the Appellant's own case. The classification of the subject goods was held to be under CTI 3105 9090 in **CC v. Coromandel Fertilizers Ltd. [2023 (12) TMI 191]** passed by the Hon'ble Hyderabad Tribunal in Appellant's own case.
  - c) It is a well settled position of law that an earlier order on the same issue is required to be followed in the absence of any challenge or any variance in the circumstances. Reliance in this regard is placed on the following judgments.
    - a) **Birla Corporation Ltd. V. CCE, 2005 (186) E.L.T. 266 (S.C.),**
    - b) **CCE v. Bigen Industries Ltd., 2006 (197) E.L.T. 305 (S.C.)**
    - c) **Indian Oil Corporation Ltd. V. CCE, 2006 (202) E.L.T. 37 (S.C.)**

- d) Furthermore, in order to confirm the finality of the said decision, an RTI application was filed wherein the status of the Final Order passed by Hon'ble Hyderabad Tribunal in the Appellant's own case, was sought. Subsequently, a response was received from the RTI informing that the Department has accepted the aforesaid order on merits and no further appeal was contemplated.
- e) That once an issue is decided in favour of the assessee for the previous period and the same has been accepted by the Department, it is not open for the Department to contend otherwise for the subsequent period. Reliance in this regard is placed on the following decisions:
- a) ***Rosmerta Technologies Ltd. v. CC [2019 (11) TMI 1573 – CESTAT CHANDIGARH]***
  - b) ***Popular Carbonic Pvt. Ltd. V. CCE [2021 (8) TMI 240 – CESTAT CHENNAI]***
  - c) ***Hi-Tec Corporation v. CC [2021 (8) TMI 1214 – CESTAT CHENNAI]***
- f) That micronutrients, similar to subject goods, were held to be classifiable under CTH 3105. Reliance is placed on the decisions in:
- a) ***CIBA India Ltd. V. CC [2009 (237) E.L.T. 207 (Tri. – Chennai)],***
  - b) ***CCE v. Aries Agrovvet Industries Ltd. [2017 (7) G.S.T.L. 317 (Tri. – Hyd.)]***
  - c) ***CC v. SLV Fertichem [2018 (363) E.L.T. 847 (Tri. – Chennai)]***
  - d) ***Hindustan Agro Insecticides v. CCE [2017 (7) TMI 846 – CESTAT HYDERABAD]***
- g) Reliance is also placed on the decision in ***Caress Industries v. CCE [2018 (9) TMI 248 – CESTAT CHENNAI]*** wherein the Hon'ble Tribunal has specifically dealt with the classification of Zinc EDTA, i.e., the subject goods in the present case. In the said decision, the Assessee had classified the subject goods under CTH 3105 meanwhile the Revenue sought to re-classify the same under CTH 3808. However, the Hon'ble Tribunal held that the

subject goods namely Zinc EDTA are correctly classifiable under CTH 3105. The said decision was re-affirmed in ***Caress Industries v. CCE [2021 (9) TMI 72 – CESTAT CHENNAI]***.

- h) The subject goods are classifiable under CTI 3105 9090 and not under CTI 2922 4990. The description of goods classifiable under CTH 3105 and CTH 2922 are as follows:

CTH 3105: *Mineral or chemical fertilizers containing two or three of the fertilizing elements nitrogen, phosphorus and potassium; other fertilizers; goods of this chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg*

CTH 2922: *Amino-acids, other than those containing more than one kind of oxygen function, and their esters; salts thereof:*

- i) As per Note 6 to Chapter 31, the term “*other fertilizers*” under CTH 3105 applies only to products of a kind used as fertilizers and containing, as an essential constituent, at least one of the fertilizing elements nitrogen, phosphorus or potassium. The note does not specify the minimum content of the fertilizing element to be present to make it an essential constituent. EDTA Zinc is used as fertilizer and contains Nitrogen which is one of the essential fertilizing elements and therefore, the Appellant classified the same as fertilizer under CTI 3105 9090.
- j) The subject goods are not classifiable under CTI 29224990 as held in the impugned orders. That as per Note 1(a) to Chapter 29, *inter alia*, the said chapter only covers separate chemically defined organic compounds, whether or not containing impurities. Further, the HSN Explanatory Notes to Chapter 29 clarify that a separate chemically defined compound consists of one molecular species with a constant elemental ratio that can be represented by a definitive structural diagram. Furthermore, HSN Explanatory Notes also clarify that separate chemically defined compounds containing other substances deliberately added during or after their manufacture (including purification) are excluded from Chapter 29.
- k) In the present case, there is a deliberate addition of Zinc and Nitrogen in the manufacturing process of the subject goods to facilitate uptake of these nutrients in the most efficient manner.

In this regard, the Appellant places reliance on the certificate issued by the manufacturers i.e., SBSIECL, Sichuan, China and AkzoNobel, Netherlands. **In the certificates, it is clearly indicated that the presence of Nitrogen in the subject goods is a deliberate addition in the production process** and the same does not arise as impurities during the course of the manufacturing process. Since there is a deliberate addition of Zinc and Nitrogen in the manufacturing process of the subject goods, the said goods stand excluded and therefore cannot be classified under Chapter 29 in terms of the HSN Explanatory Notes.

- l) Reliance is also placed on a test report obtained from Chemical Testing and Analytical Laboratory (CTAL), Government of Tamil Nadu and Intertrek indicating the presence of Nitrogen in the subject goods which are available in the appeal records. In addition to the same, Dr. Edward Raja, an agronomist has provided an opinion regarding the presence of Nitrogen in the product and its importance.
- m) Furthermore, Dr. Edward Raja, in his opinion has stated that the subject goods are a mixture containing Sodium Sulphate. This is also evident from the certificate issued by AkzoNobel, wherein it is clearly indicated that the composition of the subject goods includes  $\text{Na}_2\text{SO}_4$  i.e., sodium sulphate. The above view is in conflict with the opinion provided by Dr. K. Vidyasagar, Professor, IIT Madras about Zinc EDTA being a separate chemically defined compound. His analysis pertained to Zinc EDTA in isolation rather than the actual product which is a mixture containing Sodium Sulphate as is evident from the letter sent by the DRI to Dr. Vidyasagar for his opinion. Since the subject goods are 'mixtures', they cannot be considered as 'compound'. The constituents of the subject goods or the manufacturing process of the subject goods were never submitted to Dr. K. Vidyasagar and therefore, the opinion issued by Dr. K. Vidyasagar is not applicable to the present case.
- n) That at no point in time did the Department conduct any chemical test to determine the actual constituents of the product under

dispute. Therefore, the Department has not discharged its burden in the present case.

- o) Without prejudice to the above submissions, even if it is assumed, not admitted, that the subject goods are classifiable under both disputed headings i.e., CTH 3105 and CTH 2922, the subject goods would still merit classification under CTH 3105 by virtue of General Rules of Interpretation Rule 3(c) as the same mandates classification under the heading that occurs last in numerical order when among the headings which equally merit consideration.
- p) In the present case, a substantial portion of the entire demand pertains to the differential additional duties i.e., Counter Vailing Duty (CVD) and Special Additional Duty (SAD). **Out of the total demand in both the Appeals put together to the tune of Rs. 47,42,918, the demand pertaining to Rs. 39,09,863 pertains to CVD and SAD.** That it is a well settled position of law that no interest or penalty can be levied on the demand of additional duties. Reliance in this regard is placed on the following decisions -

***a) Mahindra & Mahindra Ltd. v. Union of India [2022 (10) TMI 212 - BOMBAY HIGH COURT]***

***b) M/s. Acer India (Pvt.) Ltd. Versus Commissioner of Customs (Audit), Chennai - 2024 (5) TMI 478***

- q) The Appellant has not committed an act or omission that has rendered the goods liable for confiscation. Therefore, the subject goods are not liable for confiscation under Section 111 and consequentially, no penalty under Section 112(a) is imposable on the Appellant.

Ld. Counsel submits that the appeals be allowed and the impugned orders set aside.

13. Shri Sanjay Kakkar, Ld. Authorised Representative, appearing on behalf of the respondent submitted as under:

- a) That the classification of imported goods has to be determined for the goods as per the Section and Chapter Notes of the Tariff-Schedule and for goods in the manner as declared/presented before the proper officer, unmindful of any end-use or other conditions,

until and unless such end-use conditions are mentioned in the specific tariff heading.

- b) The entire issue of classification of the same goods, as in the instant case - Zn-EDTA was discussed in an elaborate manner by Hon'ble CESTAT, Ahmedabad bench in the case of M/s Meghmani Organics Ltd Versus C.C.E. - Ahmedabad-II, 2020 (371) E.L.T. 318 (Tri. - Ahmd.). and was pronounced by over-ruling the earlier judgement in their own case(Meghmani Organics), 2010 (254) E.L.T. 172 (Tri. - Bang.), based on the judgement of Ciba India.
- c) though the aforementioned 2020 judgement of Meghmani Organics was relied upon in yet another case - Commissioner of Customs Versus M/s. P.R. Agro Nutri (P) Limited, 2024 (1) TMI 989 - CESTAT Chennai], the judgement of PR Agro Nutri was pronounced against Revenue only on technical grounds, without distinguishing Meghmani Organics judgement on merits and hence, any reliance on the P.R Agro judgement may be misplaced.
- d) that the impugned product - Zinc Ethylene Diamine Tetra-Acetic Acid [C<sub>10</sub>-H<sub>12</sub>-N<sub>2</sub>-Na<sub>2</sub>-O<sub>8</sub>-Zn] is a molecule with four carboxyl groups (-COOH) and two amine groups (-NH<sub>2</sub>), meaning that the two nitrogen atoms are only a part of the diamine group in EDTA molecule. Once the atoms form a molecule, they lose their independent relevance and a new, distinct compound is created which as distinct physical and chemical properties. It would require a complex chemical or enzymatic process to get Nitrogen released from the molecule and this is not the intent for using Zn EDTA for soil. The primary function of EDTA is to chelate, making it more accessible to plants and improving their ability to absorb other essential nutrients. While Zn-EDTA is primarily used to deliver Zinc to plants, the release of nitrogen from the EDTA molecule is only a subsidiary, unintended effect of microbial activity. The Nitrogen in Zn-EDTA is insignificant and is not the main purpose of using Zn-EDTA. The Nitrogen in Zn-EDTA is only because of its chemical composition and not a primary source of Nitrogen for soil.
- e) that the classification of goods as fertilizers under the Customs Tariff is different from the nomenclature under the Fertilizer Control Order. For the purposes of levy of Customs duty, only the Customs Tariff is the legal authority.

He submits that the impugned orders merit to be upheld.

14. The Ld. Counsel for the Appellant distinguished the applicability of the decision in *Meghmani Organics Ltd. vs CCE Ahmedabad* to the present case submitting as under:
- a. The facts obtaining therein are that the Appellant, M/s. Meghmani Organics Ltd, contested the classification of their product 'Megaboost'. The Appellant had imported these goods and during the import of goods, the said goods were classified under Chapter 31 of Customs Tariff Act and was not disputed by the Customs Department.
  - b. The said goods were re-packed in smaller packs under brand name 'Megaboost'. The Excise Department reclassified it under Chapter 29, leading to the denial of a refund claim for duties paid under protest.
  - c. The Department relied on chemical examination reports from the Central Excise Laboratory and the Central Revenue Control Laboratory, which identified 'Megaboost' as a coordination compound. The reports confirmed that 'Megaboost FE' and 'Megaboost ZN' were EDTA complexes with iron and zinc, respectively, and did not contain nitrogen, phosphorus, or potassium (NPK) based fertilizers.
  - d. The Appellant placed reliance on *Ciba India Ltd* and their own case, where similar products were classified under Chapter 31. However, the Tribunal noted that these decisions did not consider Chapter Note 5 of the Central Excise Tariff Act, 1985, which specifically addresses coordination compounds. The Tribunal emphasized that coordination compounds are defined chemicals and not mixtures, thus falling under Chapter 29.
  - e. The Tribunal also referred to the definition of coordination compounds and chelated compounds, substantiating that 'Megaboost' is a separately defined chemical. The Tribunal concluded that the product does not meet the criteria for classification under Chapter 31, as it is not a mixture but a defined chemical compound, and the same should be classified under Chapter 29.
  - f. Accordingly, the Tribunal dismissed the appeal, upholding the classification of 'Megaboost' under Chapter 29 of the Central

Excise Tariff Act and affirming the authority of the Central Excise to reclassify the goods independently of the customs classification.

- g. The said decision is not applicable to the present case as unlike in the said case, the subject goods have not been tested or examined in the present case. In the case of Meghmani Organics, the products in dispute were 'Megaboost FE' and 'Megaboost ZN', chemically called as Ethylene Diamine Tetra Acetic Acid Di-Sodium Iron complex and Zinc complex, respectively. The decision in Meghmani Organics was primarily based on multiple rounds of chemical examinations and testing, where actual samples of the products were analysed for its constituent materials and chemical structure.
- h. In the tests conducted by the Department, it was specifically stated in the test report that products in dispute were 'coordination compounds'. While in the case of Meghmani Organics, the Department produced chemical examination reports of the sample products to substantiate that the same were coordination compounds. However, in the present case, no such sample testing/chemical examination of the actual product was conducted by the Department. Instead, the Department sought expert opinion based on the publicly available information on the internet. It is a well settled position of law that the burden of proof lies on the Department to substantiate the re-classification.
- i. Further, in the case of Meghmani Organics, as noted in paragraph 2.2 of the order, the presence of nitrogen itself was under dispute. In fact, the retest report issued by the Director (Revenue Laboratories), Central Revenue Control Laboratory, New Delhi, clearly stated that the product in dispute did not contain any nitrogen, phosphorus, or potassium (NPK). However, in the present case, the presence of nitrogen in the subject goods is not in dispute, rather the Department themselves have accepted that the subject goods contain nitrogen. Reliance in this regard is placed on the test report obtained from Chemical Testing and Analytical Laboratory (CTAL), Government of Tamil Nadu and Intertrek indicating the presence of Nitrogen in the subject goods. In addition to the same, Dr. Edward Raja, an agronomist has also provided an opinion regarding the presence of Nitrogen in the product and its importance. Further reliance is placed on the

certificates issued by the manufacturers i.e., SBSIECL, Sichuan, China and AkzoNobel, Netherlands. In the certificates, it is clearly indicated that the presence of Nitrogen in the subject goods is a deliberate addition in the production process and the same does not arise as impurities during the course of the manufacturing process.

- j. In view of the above, since the subject goods contain deliberately added nitrogen and zinc, they do not fall under Chapter 29 in light of the HSN Explanatory Notes. Accordingly, the ratio laid down in Meghmani Organics is also not applicable to the present case.
- k. The decision in Meghmani Organics has already been disregarded by this Bench of the Tribunal in *Commissioner of Customs vs. M/s. P.R. Agro Nutri (P) Limited*. Although the Hon'ble Tribunal had dropped the re-classification on account of violation of principles of natural justice, it is relevant to note that in P.R. Agro, this Hon'ble Bench considered both *M/s. CIBA India Ltd. v. Commissioner of Customs, Chennai* and *Meghmani Organics Ltd. (supra)*, and held that the ratio of the former decision was more aligned with the facts, thereby implying that CIBA India is more specific and relevant than Meghmani Organics. Relevant portion of the said decision is extracted below for ease of reference –

*10. Further, in the impugned orders, the first appellate authority has relied on an order of this Bench of the Tribunal in the case of M/s. CIBA India Ltd. v. Commissioner of Customs, Chennai [2009 (237) E.L.T. 207 (Tri. – Chennai)] and the above order is almost identical to the facts of the present case. In the order of the Ahmedabad Bench i.e., M/s. Meghmani Organics Ltd. (supra) relied upon by the Ld. Assistant Commissioner, the Ld. Bench has distinguished the order in M/s. CIBA India Ltd. (supra), but however, we find at the threshold that the reclassification attempted by the original authority deserves to be set aside since what was proposed in the Show Cause Notice was under a different CTH, but what was confirmed in the Order-in-Original is under a totally different CTH. This approach of the original authority is not proper and correct since, very clearly, the principles of natural justice have been violated. Hence, we do not get into the other aspects even though we find that the ratio of the order in M/s. CIBA India Ltd. (supra) is more or less identical.*

15. Heard both sides and perused the appeal records and the citations submitted.
16. The solitary question which arises for consideration in the instant appeals is whether the classification of the Zinc-EDTA under Customs Tariff Item 3105 0000 adopted by the appellant while importing the same is tenable or is it to be classified under CTI 2922 4990 as held in the impugned orders.
17. We find that in so far as the SCN A is concerned, the goods therein is not seen stated to have been tested by the Department. However in so far as the SCN B is concerned, DRI, vide letter dated 13.08.2010 to Regional Fertilizer Control Laboratory, Chennai requested to depute its officers to draw samples from the consignment detained at M/s. Sattva CFS & Logistics, stated to be that pertaining to Bill of Entry No.584790 dated 31.07.2010, in presence of the officers of the Directorate as per the procedure prescribed and to test the samples and inter-alia state whether the said goods contain any of the fertilizing elements viz. Nitrogen, Phosphorous or Potassium and if so whether their presence can be considered as an essential constituent of the product. The Deputy Director, RFCL, vide letter dated 13.08.2010 inter-alia is stated to have replied that they had already drawn the fertilizer sample ZN-EDTA on 11.08.2010 from the subject consignment as per the Fertilizer Control Order and the sample was under process of testing. However, vide letter dated 31.12.2010, RFCL replied that the goods in question is chelated Zinc expressed as ZINC-EDTA-12% as per the Fertilizer Control Order 1985 classified under Micro Nutrient Fertilizers-Schedule I part A of FCO specifications and that the lab is entitled to analyze the above sample as per the FCO specifications in respect of parameters like Zn, Lead (Pb) and PH only and not its compositions etc.
18. Thus, indisputably, the fact remains that the Department has not drawn samples from the imported goods under dispute in this case and subjected them to test as to their composition from Central Revenues Control Laboratory. This also assumes significance in light of the adjudicating authority in Order-in-Original No. 21/2023 dated 13.03.2023 noting that the certificate issued by one of the manufacturers SBSIECL, Sichuan, China and Akzo Nobel, Netherlands

also indicates the presence of Nitrogen in the product which is deliberate addition in the production process and not arising as impurities during the course of manufacturing process. Further, the appellate authority in the related OIA No.361/2025 dated 20.03.2025 also notes the contested position of the Appellant that EDTA Zinc is used as fertilizer and contains Nitrogen which is one of the essential fertilizing element and therefore it is classifiable under CTI 31059090. The appellate authority has also in the said OIA noted the contention of the appellant that HSN explanatory notes to Chapter 29 clearly state that separately chemically defined compounds containing other substances deliberately added during or after their manufacture are excluded from Chapter 29 and further that since there has been a deliberate addition of Zinc and Nitrogen, the subject goods viz. EDTA Zinc 12% stand excluded from chapter 29 and merit classification under CTI 31059090.

19. In this context, we are of the view that the single line opinion of Dr. K. Vidyasagar, Department of Chemistry, relied upon by the Department, have been rightly discredited by the appellant contending that the constituents of the subject goods or the manufacturing process of the subject goods were never submitted to Dr. K. Vidyasagar and therefore, the opinion issued by Dr. K. Vidyasagar is not applicable to the present case. It is also seen from the letter of DRI that the opinion has been sought on inputs provided by DRI as downloaded from the Internet and not on the basis of any test results of the imported goods. Further, the reliance placed by the appellate authority in the OIA 317/2014 dated 24.12.2014 on the observations of Deputy Director, RFCL dated 30.10.2006 is misconceived as it appears to attest to the availability of more cost effective nitrogenous fertilisers failing to appreciate that a claim of an element being an essential constituent in a product is distinct from a claim that the product is the primary source of such an element. In any event the said letter does not pertain to the appellant's consignments under dispute herein.
20. It is a settled position in law that classification of goods is a matter relating to chargeability and the burden of proof is squarely upon the Revenue. If the Department intends to classify the goods under a particular heading or sub-heading different from that claimed by the assessee, the Department has to adduce proper evidence and discharge

the burden of proof. The decision of the Hon'ble Apex Court two decades ago in ***HPL Chemicals Ltd v. Commissioner of C.Ex, Chandigarh, 2006 (197) ELT 324 (SC)*** refers for the said position in law. That the burden is on the revenue if they want to include the imported materials within the specific category to substantiate that those materials are such is the ratiocination seen stated nearly three decades ago in ***British Machines Supplies Co v. Union of India, 1996 (86) ELT 449 (SC)***. It is also clear that the said ratio has been consistently followed even to date as would be evident from the decision of the Apex Court in ***Hewlett Packard India Sales Pvt. Ltd v Commr. of Cus (Import), Nhava Sheva, 2023 (383) ELT 241 (SC)***, wherein it has been reiterated. Therefore, mere assertion by the department is of no avail as heavy burden was on the department to lay evidence by way of test reports and consequent opinion premised on such test reports to substantiate the Department's proposed classification. We are therefore of the considered view that the Department has failed to discharge its burden that would warrant effectuating a change in the classification adopted by the appellant for the subject imported goods.

21. It has also come to our notice that the appellant had specifically cited the decision of this Tribunal in the appellant's own case reported as ***CC v. Coromandel Fertilizers Ltd, 2023 (12)TMI 191 -CESTAT HYDERBAD***, before the appellate authority and it is also seen noted in the OIA No.361/2025 dated 20.03.2025.

22. In ***CC v. Coromandel Fertilizers Ltd, 2023 (12)TMI 191 -CESTAT HYDERBAD***, this Tribunal has found the Zinc EDTA imported by the appellant classifiable under CTI 31059090. The Relevant portions are as under:

"11. We have perused the provisions under Chapter 29 & Chapter 31. Note 1 to Chapter 29 provides for inclusion of separate chemically defined organic compound, whether or not containing impurities, whereas, Chapter 31 provides for exclusion of separate chemically defined compounds (other than those answering to the descriptions in Note 2(a), 3(a), 4(a) or 5 below). Therefore, the first issue to be decided is whether the product in question can be considered as separate chemically defined compound as Revenue is arguing or otherwise. From the manufacturing process, as well as expert opinion, it is apparent that Nitrogen is added deliberately in the process simultaneously, along with Zinc Oxide, as also EDTA acid.

Therefore, Nitrogen is not an in situ development rather it is part of the manufacturing process and Nitrogen remains in the product even after the reaction is over, as confirmed by the test report of the final product. Therefore, even if it is a micronutrient or plant growth regulator essential for providing Zn, since it also contains fertilizing element i.e., Nitrogen also, it would be more appropriately classifiable as 'other fertilizers'.

12. **Chapter Note 6 emphasizes that the heading applies only to a product of a kind use as fertilizer and containing as an essential constituent, at least one of the fertilizing agents i.e., N or P or K. In the present case, the essential constituents are Zinc (12% Minimum) & Nitrogen (5.4% Minimum). Therefore, it cannot be said that Nitrogen is not an essential constituent in the product, by virtue of its presence in the product.** The next issue would be whether it is used as fertilizer or otherwise or whether it is intended to be used as fertilizer or otherwise. Admittedly, it is an agriculture grade product, where the Revenue has also provided the IS standard meant for agriculture grade Zinc-EDTA. IS standard for chelated Zinc for agricultural use (IS 13921:1994), inter alia, provides for certain minimum requirements of Zinc i.e., 12% which is satisfied in this case. Similarly, the Fertilizer (Control) Order also classifies chelated Zinc i.e., Zn-EDTA, as micronutrient, where the minimum content should be 2%. **Therefore, when the chelated Zinc is treated as fertilizer or micronutrient and when the same is also having 'other fertilizing component' like Nitrogen in substantial proportion (here 6.5%), this needs to be classified as micronutrient fertilizer or other fertilizer in terms of Chapter Note 6 to Chapter 31.**

13. **The Commissioner (Appeals) has taken into account the composition, the production process and the intended use as fertilizer, as also certain case laws to come to the conclusion that the product is rightly classifiable under CTH 3105 as "Other fertilizers". Therefore, he has found that the product of a kind used as fertilizer and is also containing as an essential constituent, at least one fertilizing element i.e., Nitrogen (6.5% by weight) and that the Chapter Note to Chapter 31 does not specify any minimum content of the fertilizing element, which needs to be present to make it an essential constituent.** He has also relied on the judgment of Hon'ble Supreme Court in the case of CCE, Bangalore vs Karnataka Agro Chemicals [2008 (227) ELT 123 (SC)] to arrive at the conclusion that the product in question is a micronutrient fertilizer.

14. **Therefore, we find that the Commissioner (Appeals) had rightly decided the classification of EDTA Zinc 12% under CTH 3105 9090.**

**Accordingly, we find no merit in interfering with the Impugned Order.**

15. Appeal is dismissed.”

23. Indisputably, while in the present case it is the contention of the Department that the presence of small quantity of nitrogen in the subject goods is incidental and does not make it a primary source of nitrogen, the fact remains that the presence of nitrogen is uncontested. Further, as per Note 6 to Chapter 31, for the purposes of CTH 3105, the term “*other fertilizers*” applies only to products of a kind used as fertilizers and containing, as an essential constituent, at least one of the fertilizing elements nitrogen, phosphorus, or potassium. The said chapter note does not specify the minimum content of the fertilizing element to be present to make it an essential constituent. Therefore, when we find that a coordinate bench of this Tribunal, in the said decision, has held that it cannot be said that Nitrogen is not an essential constituent in the product, by virtue of its presence in the product and gone on to uphold the classification of Zinc EDTA that was imported by the appellant under CTI 31059090, we find no reason to take a different view. Yet, for reasons best known to the appellate authority, though the said coordinate bench decision in the appellant’s own case was cited before the appellate authority, the decision was not followed while passing the OIA No.361/2025 dated 20.03.2025.

24. It needs to be emphasised that as early as in 1991, a three judge bench of the Hon’ble Supreme Court had extensively dwelt on the necessity to adhere to judicial discipline in the decision in ***Union of India v. Kamalakshi Finance Corporation Ltd, 1991 (55) ELT 433 (SC)***. The relevant portions merit reproduction and are as under:

“ 6. Sri Reddy is perhaps right in saying that the officers were not actuated by any *mala fides* in passing the impugned orders. They perhaps genuinely felt that the claim of the assessee was not tenable and that, if it was accepted, the Revenue would suffer. But what Sri Reddy overlooks is that we are not concerned here with the correctness or otherwise of their conclusion or of any factual *mala fides* but with the fact that the officers, in reaching their conclusion, by-passed two appellate orders in regard to the same issue which were placed before them, one of the Collector (Appeals) and the other of the Tribunal. **The High Court has, in our view, rightly**

**criticised this conduct of the Assistant Collectors and the harassment to the assessee caused by the failure of these officers to give effect to the orders of authorities higher to them in the appellate hierarchy. It cannot be too vehemently emphasised that it is of utmost importance that, in disposing of the quasi-judicial issues before them, revenue officers are bound by the decisions of the appellate authorities.** The order of the Appellate Collector is binding on the Assistant Collectors working within his jurisdiction and the order of the Tribunal is binding upon the Assistant Collectors and the Appellate Collectors who function under the jurisdiction of the Tribunal. **The principles of judicial discipline require that the orders of the higher appellate authorities should be followed unreservedly by the subordinate authorities. The mere fact that the order of the appellate authority is not "acceptable" to the department - in itself an objectionable phrase - and is the subject-matter of an appeal can furnish no ground for not following it unless its operation has been suspended by a competent Court. If this healthy rule is not followed, the result will only be undue harassment to assessees and chaos in administration of tax laws.**

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**8.** We have dealt with this aspect at some length, because it has been suggested by the learned Additional Solicitor General that the observations made by the High Court, have been harsh on the officers. **It is clear that the observations of the High Court, seemingly vehement, and apparently unpalatable to the Revenue, are only intended to curb a tendency in revenue matters which, if allowed to become widespread, could result in considerable harassment to the assessee-public without any benefit to the Revenue. We would like to say that the department should take these observations in the proper spirit. The observations of the High Court should be kept in mind in future and utmost regard should be paid by the adjudicating authorities and the appellate authorities to the requirements of judicial discipline and the need for giving effect to the orders of the higher appellate authorities which are binding on them.**

**(emphasis supplied)**

25. It is seen that the need to follow judicial discipline in adjudication proceedings has been impressed upon the formations by the Central Board of Excise and Customs, ***vide Instruction F. No. 201/01/2014-CX.6, dated 26-6-2014.*** Again, Central Board of Excise & Customs, New Delhi, ***vide C.B.E. & C. (Legal Cell) Instruction F. No.***

**275/17/2015-CX. 8A, dated 11-3-2015,** on the subject of “Steps needed to be taken to improve indirect tax administration”, has stated that the National Litigation Policy (NLP) formulated by the Government of India aims to reduce Government litigation so that Government ceases to be a compulsive litigant. It was also stated that the purpose underlying this Policy is to ensure that valuable time of the Courts is spent in resolving pending cases and in bringing down the average pending time in the Courts. It was further stated that to achieve this, the Government should become an ‘efficient’ and ‘responsible’ litigant, and it was instructed, inter-alia, that Judicial discipline should be followed while deciding pending show cause notices/appeals. It is disquieting that such vital instructions are more often than not breached than practiced, inviting repeated admonitions by the higher judicial fora. Recently, a coordinate bench of this Tribunal, in **Final Order No.40607/2025 dated 11.06.2025, in the case of M/s.Dow Chemcial International Pvt Ltd v Commissioner of GST & Central Excise**, had observed as under:

“17. We therefore hold when the appellant brought the notification and the circular to the authority’s notice, along with the binding decisions of the Tribunal governing the issue, judicial discipline warranted that the adjudicating authority adhere to the same and ought to have extended the benefit to the appellant. Thus, the adjudicating authority committed an egregious error in denying the benefit of the notification and circular to the appellant even after the binding decisions of this Tribunal were brought to the authority’s attention. **We are constrained to observe that often it is the bane of judicial indiscipline that is resulting in proliferation of the appeals before this Tribunal, making the process itself the punishment for the assessee who is thus compelled to bear the brunt of protracted litigation in his struggle to secure justice.**”

We expect the authorities to henceforth adhere to judicial discipline and follow the orders of this Tribunal and other higher Judicial Foras implicitly. In the instant case, despite the existence of the aforesaid binding law laid down by the Highest Court as well as administrative instructions, the scant disregard shown by the appellate authority to the binding decision of the Tribunal relied upon by the appellant, is deprecated.

26. Furthermore, the Appeal records reflect that the appellant has filed a letter received in reply to information sought under RTI Act, 2005, which states that the Final Order No.A/30403/2023 dated 01.11.2023 passed by the Hon’ble CESTAT, Hyderabad in Customs Appeal No.1337

of 2012 has been accepted in review by the competent authority on merits and no further appeal was contemplated. The Revenue has not brought anything contrary to our notice. Thus, the aforesaid order of a coordinate bench of this Tribunal, reported in **CC v. Coromandel Fertilizers Ltd, 2023 (12)TMI 191 -CESTAT HYDERBAD** in the appellant's own case pertaining to the import of Zinc-EDTA, has attained finality.

27. Such being the case, we find the reliance placed by the appellant on the decision of the Hon'ble Supreme Court in **CCE, Mumbai v Bigen Industries Ltd, 2006 (197) ELT 305 (SC)**, apposite. The relevant observations are as under:

" ...This apart, **the earlier decision of the Tribunal in Bigen Industries (supra) between the parties on the same facts for the period from 12th August, 1989 to 25th August, 1989 having attained finality, as the Revenue did not file any further appeal, the Revenue is precluded from taking a different stand in the present appeals as per law laid down by this Court in a catena of cases. [See Collector of Central Excise, Pune v. Tata Engineering & Locomotives Co. Ltd. reported in (2003) 11 SCC 193; Berger Paints India Limited v. Commissioner of Income Tax, Calcutta reported in (2004) 12 SCC 42; Birla Corporation Limited v. Commissioner of Central Excise reported in (2005) 6 SCC 95 = 2005 (186) E.L.T. 266 (S.C.); and Jayaswals Neco Limited v. Commissioner of Central Excise, Nagpur reported in 2006 (195) E.L.T. 142 (S.C.)].**

28. We also bear in mind that the Honourable Apex Court in **Jayswals Neco Ltd v. CCE, Nagpur, 2006 (195) ELT 142 (SC)**, while effectively laying down that Department having accepted principles laid down in earlier case, cannot be permitted to take a contra stand in subsequent cases, has also held that :

"10. **A Bench of co-ordinate jurisdiction must not disregard the decision of the same strength on its own on an identical question. The rationale of this rule is the need for consistency, certainty and predictability in the administration of justice. Classification of particular goods adopted in earlier decisions must not be lightly disregarded in subsequent decisions, lest**

**such judicial inconsistency shake public confidence in the administration of justice..”**

29. That apart, it may also be worthwhile to notice that the Hon’ble Apex Court has in its decision in ***CCE, Bhopal v Minwool Rock Fibres Ltd, 2012 (278) ELT 581 (SC)***, observed that in a classification dispute, an entry beneficial to the assessee requires to be applied.
30. We also find that the decision in Meghmani Industries relied upon by the Ld. A.R. has been rightly distinguished by the appellants in their submissions reproduced above, and has no application in the instant case.
31. In light of our deliberations above, and relying on the Apex Court decisions as well as following the coordinate bench decision cited above, we hold that the impugned orders in appeal are untenable and are therefore set aside. Given our decision in favour of the appellant on merits and resultant effacement of all detriments to the appellant, we are not addressing the contentions on other aspects such as limitation and on non leviability of interest or penalty in respect of differential CVD and SAD that have been urged.

The appeals are allowed with consequential relief(s) in law, if any.

(Order pronounced in open court on 02.12.2025)

**(AJAYAN T.V.)**  
Member (Judicial)

**(M. AJIT KUMAR)**  
Member (Technical)