कार्यालय: प्रधान आयुक्त, सीमाशुल्क, मुन्द्रा,
सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:
CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421.
PHONE: 02838-271426/271163 FAX :02838-271425
E-mail id- group4-mundra@gov.in

A	**FILE NO.** फ़ाइल संख्या	**CUS/APR/INV/566/2026-Gr 4-O/o Pr Commr-Cus-MundraCUS**
B	**OIO NO.** आदेश संख्या	MCH/ZDC/ADC/335/2026-27
C	**PASSED BY** जारीकर्ता	**Dipak Zala,** Additional Commissioner of Customs/अपर आयुक्त सीमा शुल्क, Custom House, Mundra/कस्टम हाउस, मुंद्रा।
D	**DATE OF ORDER** आदेश की तारीख	25-09-2026
E	**DATE OF ISSUE** जारी करने की तिथि	25-09-2026
F	**SCN No. & Date** कारण बताओ नोटिस क्रमांक	**Waived vide letter dated 21.07.2026.**
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	**M/s. Divyansh Steels (AMJPC1767H)**

1. यहआदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।
This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा128 के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते परअपील कर सकताहै-

Any person aggrieved by this Order - in - Original may file an appeal under Section 128 of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

"सीमा शुल्क आयुक्तालय (अपील)

चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,

नवरंगपुरा,अहमदाबाद 380 009"

"THE COMMISSIONER OF CUSTOMS (APPEALS)

HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN ROAD, NAVRANGPURA, AHMEDABAD-380 009."

3. उक्तअपील यहआदेश भेजने की दिनांक से 60दिन के भीतर दाखिल की जानी चाहिए।
Appeal shall be filed within sixty days from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5 -/रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-
Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must be accompanied by –

i. उक्त अपील की एक प्रति और A copy of the appeal, and
ii. इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची 1-के अनुसार न्यायालय शुल्क अधिनियम-1870के मद सं° 6-में निर्धारित 5 -/रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।
This copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/- (Rupees Five only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

5. अपील ज्ञापन के साथ ड्यूटि /ब्याज /दण्ड /जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये।
Proof of payment of duty / interest / fine / penalty etc. should be attached with the appeal memo.

6. अपील प्रस्तुत करते समय, सीमाशुल्क) अपील (नियम, 1982और सीमाशुल्क अधिनियम,1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।
While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respects.

7. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (A) के समक्ष मांग शुल्क का 7.5 %भुगतान करना होगा।

An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

BRIEF FACTS OF THE CASE

1. M/s. Divyansh Steels (IEC/PAN: AMJPC1767H; GSTIN:

24AMJPC1767H1Z7), having address at 39, Satsang Industrial Estate, Odhav Road, Behind Mahadev Complex, Odhav, Ahmedabad, Gujarat-382415 (hereinafter referred to as the "Importer" for the sake of brevity), filed Bill of Entry No. 8393164 dated 31.03.2026 through its Customs Broker M/s V R Logistics for clearance of goods declared as "Stainless Steel Melting Scrap 201 Grade" under CTH 72042190, supplied by M/s PT Blanco Steel Perkasa, Indonesia. The declared quantity was 53,878 Kgs and the declared assessable value was Rs. 35,85,069/-. The self-assessed duty was Rs. 6,45,313/-. The consignment was covered by containers BSIU3269881 and ECNU2261940. The said BE was filed by the Custom Broker M/s V R Logistics. The said BE was selected for examination and the container of the BE was also marked suspicious for scanning mismatch. The said goods were put on hold by DRI/AZU vide their E mail/Letter dated 04.04.2026 for examination.

Table-I

Sr. No.	BE No. & Date	Declared CTH	Description of Goods	Declared Quantity (Kgs)
1	8393164 dated 31.03.2026	72042190	Stainless Steel Melting Scrap 201 Grade	53,878

2. EXAMINATION OF THE GOODS

2.1 Whereas, the examination was conducted on 07.04.2026 under Panchnama at M/s Adani Exim Yard, APSEZ, Mundra, in the presence of the authorised representative of the importer, the G-card holder of the Customs Broker and independent panch witnesses. The seals of both containers were found intact and tallying with the particulars available in the import documents. No external damage or tampering of the containers was noticed. On opening the containers, pressed/baled scrap-like material was found near the doors. Upon de-stuffing the front rows, the rear portion was found loaded with PP/Jumbo bags. On opening the bags, round stainless-steel circles of uniform appearance were found instead of the declared stainless-steel melting scrap. The container-wise weight of the stainless-steel circles was recorded as under:

Table-II

Sr. No.	Bill of Entry No. & Date	Container No.	Weight of Stainless Steel Circles (Kgs)
1	8393164 dated 31.03.2026	BSIU3269881	21,760
2		ECNU2261940	22,500

Thereafter, the goods were examined and weighed. The examination record reflected the following container-wise position:

Table-III

Sr. No.	Container No.	Item found during examination	No. of PP/Jumbo Bags	Weight (Kgs)
1	BSIU3269881	Stainless Steel Circles	10	21,760
2	BSIU3269881	Stainless Steel Scrap	-	5,239
3	ECNU2261940	Stainless Steel Circles	10	22,500
4	ECNU2261940	Stainless Steel Scrap	-	4,499

2.2 Representative samples of the Stainless Steel Circles were drawn in triplicate from both containers. PMI testing was carried out and the elemental composition recorded in the Investigation Report is reproduced below:

Table-IV - Composition of Metal (PMI)

Element	BSIU3269881 %	BSIU3269881 +/-	ECNU2261940 %	ECNU2261940 +/-
Fe	75.15	0.223	75.06	0.228
Si	0.79	0.031	0.68	0.031
Cr	13.22	0.087	13.56	0.090
Mn	9.13	0.077	8.65	0.077
Ni	1.02	0.034	1.24	0.038
Cu	0.35	0.018	0.54	0.023
V	0.13	0.014	0.12	0.014
P	0.05	0.0007	0.02	0.008
Co	0.13	0.010	0.07	0.008
Mo	0.02	0.003	0.02	0.003

2.3 DRI/AZU thereafter conducted further investigation, including recording statements and examining the sourcing and import arrangement. The case, along with documents/samples, was subsequently transferred to SIIB, Custom House, Mundra for further investigation and adjudication.

3. CLASSIFICATION OF THE GOODS

The importer declared the entire consignment as Stainless Steel Melting Scrap 201 Grade under CTH 72042190. Examination, however, established that a substantial portion consisted of Stainless Steel Circles. The classification was therefore proposed to be re-determined as follows:

Table-V

Sr. No.	Description of goods found in examination	Declared CTH	Re-determined CTH
1	Stainless Steel Circles	-	72209090
2	Stainless Steel Scrap	72042190	72042190

4. RE-DETERMINATION OF QUANTITY OF GOODS

In view of the physical examination and the final quantity adopted in the Investigation Report, the declared single quantity is required to be segregated between the two descriptions as under:

Table-VI

Sr. No.	Description of goods found in examination	Declared Quantity (Kgs)	Re-determined Quantity (Kgs)
1	Stainless Steel Circles	-	44,260
2	Stainless Steel Scrap	53,878	9,618

5. REJECTION AND RE-DETERMINATION OF VALUE

5 . 1 The declared assessable value of the entire consignment was Rs. 35,85,069/-. Since the goods were found materially different in description and classification from the declaration, the truth and accuracy of the declared value came under doubt. The value was therefore examined under Section 14 of the Customs Act, 1962 read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

5.2 As imported items were found to be mis-declared and mis-classified in the Bill of Entry No. 8393164 dated 31.03.2026, hence they were liable to be re assessed under section 17(4) of the Customs Act, 1962. Since, mis-declaration of the goods, in parameters such as mis-declaration and mis-classification, was noticed, the declared value of the goods is liable to be determined in terms of Rule 12, explanation 1 (i), of the said Rules, by going sequentially from Rule 2 to 9 thereof.

Determination of valuation:

a. Efforts were made to find out the correct assessable value of the imported goods found undeclared. It was observed that the imported goods were found in different variety, description, specification and quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data extracted with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value could not be determined under Rules 4 and 5 of CVR, 2007.

b. As per Rule 6 ibid, if the value cannot be determined under Rules 3, 4 and 5 same shall be determined under the provisions of Rule 7 or when same cannot be determined under that rule then under Rule 8.
c. As the imported goods were found to be non-standard, the sale price of identical or similar goods was not available in the domestic market as the goods are miscellaneous in nature and found in different variety, description, specification, model, brand, make, sizes and quality, therefore, determination of transaction value under Rule 7 of CVR, 2007 was not possible.
d. As substantial data related to the cost or value of materials and fabrication or other processing employed in producing the imported goods required to compute the value under Rule 8 is also not available. Therefore, valuation of the impugned goods could not be ascertained under Rule 8 of CVR, 2007.
e. Hence, valuation of the goods is to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid.*

5.3 Accordingly, A Government-empanelled Chartered Engineer was appointed for valuation.The Chartered Engineer vide Report No. ABJ:CE:MUN:DRI:DS:26-27:01 dated 25.04.2026 suggested the following values at the exchange rate of USD 1 = Rs. 94.25:

Table-VII

Sr. No.	Description	Total Quantity	Measure Unit	Unit Suggestive Average C.I.F. Value by C.E. (USD)	Total Suggestive Average C.I.F. Value by C.E. (USD)	Total Suggestive Average C.I.F. Value by C.E. (INR)
1	Stainless Steel Circles	44,260	KGS	1.685	74,578.1	70,28,986
2	Stainless Steel Scrap	9,618	KGS	0.706000037	6,790.308356	6,39,987
	Total				**81,368.4084**	**76,68,972/-**

5.4 Thus, the Chartered Engineer determined the fair value of the goods at Rs. 76,68,972/- as against the declared assessable value of Rs. 35,85,069/-. The importer subsequently agreed with the Chartered Engineer's valuation. The Investigation Report therefore proposed rejection of the declared value under Rule 12 and re-determination at Rs. 76,68,972/- under Rule 9 of the CVR, 2007.

6. SEIZURE OF THE GOODS

The Stainless Steel Circles weighing 44,260 Kgs, which were found undeclared/misdeclared and were considered to have been imported in violation of applicable SIMS/BIS requirements, were placed under seizure under Section

110 of the Customs Act, 1962 vide Seizure Memo dated 21.04.2026 by the officer of DRI/AZU. The goods remained in safe custody at M/s Adani Exim Yard, APSEZ, Mundra.

7. IMPORTABILITY AND POLICY CONDITIONS

7.1 The Investigation Report records that Stainless Steel Circles classifiable under CTH 72209090 fall within the mandatory quality-control framework under IS 6911 of the Steel and Steel Products Quality Control Order, 2024 dated 05.02.2024. At the time of investigation, the importer had not produced BIS authorisation in respect of the Stainless Steel Circles actually found.

7.2 As regards SIMS, the importer had obtained SIMS Registration No. MOSSIMS200326480394 dated 20.03.2026 for HS Code 72042190, described as Stainless Steel Scraps: Other, quantity 53.878 MT, supplier/manufacturer PT Blanco Steel Perkasa, Indonesia. The Investigation Report records that the Stainless Steel Circles actually found were not covered by that registration and therefore treated the circles as non-compliant with SIMS.

7.3 In respect of Stainless Steel Melting Scrap, the Investigation Report records that import required prescribed documents including PSIC, SIMS, Form 6 & 9 and Pollution Control Board authorisation. The importer produced PSIC No. PSICSMVIIX644989AM26 issued by SMV International Incorporation. Verification recorded in the Investigation Report indicated that the said agency was not authorised to issue PSIC for goods imported from Indonesia, and the PSIC was therefore treated as invalid.

7.4 During the later stage of proceedings, the importer submitted SIMS No. MOSSIMS220726625823 dated 22.07.2026 and PSIC Sr. No. IN11202386041 issued by Global Marine Inspection. The importer also relied upon the Ministry of Steel Order dated 27.04.2026 stating that compliance exemption had been extended up to 26.10.2026 for standards including IS 6911. The legal effect of such subsequent documents/relaxation is considered in the discussion and findings below.

7.5 In view of above facts and discussions, it appears that importer has tried to clear the goods by bypass Steel and Steel Products Quality Control Order, 2024. The importer has obtained the SIMS prior to IGM inward for Stainless Steel Melting Scrap. The SECTION 46 of the Customs Act, 1962 prescribes that the importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed. The said act of omission and commission on the part of the importer has made the both imported goods vide above said BE's liable for confiscation under

Section 111 (d),111(l) and 111(m) of the Customs Act, 1962 ibid and has also rendered themselves liable for penal action under Section 112 (a)(i) of the Customs Act, 1962.

8. SUMMONS, STATEMENTS AND INVESTIGATION

8.1 Shri Bhanwar Pal Parihar, in his statement dated 08.04.2026 recorded under Section 108 of the Customs Act, 1962, accepted the contents of the examination proceedings and stated, inter alia, that he was engaged in indenting/liaison work for stainless-steel materials; that he had business dealings with M/s Divyansh Steels; and that Shri Harish Choudhary, brother of the proprietor Shri Tulsa Ram Choudhary, had approached him in relation to stainless-steel coils/material.

8.2 Shri Bhanwar Pal stated that he had travelled to Indonesia in 2024 with Shri Harish Choudhary and others and had visited the manufacturing facility associated with PT Blanco Steel Perkasa. He described a process in which stainless-steel coils were cut/stamped into stainless-steel circles/basins, with the remaining portions becoming scrap. He stated that, based on his market knowledge, scrap generation from such processing would ordinarily be around 20-25% at the maximum, while the balance would be circles.

8.3 He further stated that communications took place through a WhatsApp group involving persons connected with the importer/supplier and concerned specifications, quantities, cargo-stuffing photographs and import documents. According to him, after coils were processed into circles, he would communicate readiness of the material to persons connected with the importer. He also referred to quality issues in circles and coordination for improvements/debit notes.

8.4 Shri Bhanwar Pal stated that PT Blanco's invoice mentioned only scrap, which according to his understanding was not correct; that the declared value did not appear to reflect the actual value of the goods; and that, to the best of his knowledge, around 3-4 earlier consignments containing similar Stainless Steel Circles had been imported. He stated that he had no role in Customs clearance, logistics or filing of Customs documents.

8.5 Shri Tulsa Ram Choudhary, proprietor of M/s Divyansh Steels, appeared pursuant to summons and his statement was recorded on 14.07.2026. He stated that the firm trades in scrap and Stainless Steel Circles and manufactures stainless-steel appliances; that import documentation was handled by employee Shri Vishal Pandey and import-cargo dealings were handled by Shri Bhanwar Pal Parihar; and that the disputed consignment was ordered from PT Blanco Steel Perkasa, Indonesia.

8.6 Shri Tulsa Ram stated that the firm had ordered Stainless Steel Melting Scrap along with discarded/waste/non-usable Stainless Steel Circles which, according to him, were also treated as scrap. He stated that the exact quality/nature of the circles became known at the time of DRI examination. He further stated that approximately 14-15 consignments had been imported from PT Blanco, of which 9-10 contained only scrap and about five contained discarded/waste/non-usable circles along with scrap.

8.7 He stated that duty in respect of circles found in five earlier consignments had been voluntarily paid through challans dated 30.06.2026. Regarding the present consignment, he stated that the supplier informed them that prime-quality circles had been wrongly stuffed by labour instead of discarded/unusable circles. He acknowledged awareness of mandatory BIS compliance but relied upon the Ministry of Steel Order dated 27.04.2026 and requested clearance for home consumption, expressing readiness to pay applicable fine and penalty.

8.8 The Investigation Report treated the physical loading pattern, the predominance of circles, the sourcing/processing arrangement described by Shri Bhanwar Pal, the prior consignments referred to in the statements and the commercial invoice describing the cargo only as scrap as material circumstances relevant to the misdeclaration.

9. RE-DETERMINATION OF DUTY

9.1 Based on the foregoing paragraphs, it is evident that the importer has undervalued the imported goods to evade payment of duties and taxes. The duty liability for the imported goods as per re-determined value is ascertained as under:

Table-VIII

Sr. No.	**Description**	**Total Quantity**	**Measure Unit**	**Total Suggestive Average C.I.F. Value by C.E. (USD)**	**Total Suggestive Average C.I.F. Value by C.E. (INR) $=94.25**	**BCD @ 7.5 & 0 % (Rs.)**	**SWS @ 10% of BCD (Rs.)**	**IGST @ 18 % (Rs.)**	**Total Duty (Rs.)**
1	Stainless Steel Circles	44,260	KGS	74,578.1	70,28,986	5,27,174	52,717	13,69,598	19,49,489
2	Stainless Steel Scrap	9,618	KGS	6,790.308356	6,39,987	0	0	1,15,198	1,15,198
	Total			**81,368.4084**	**76,68,972**	**5,27,174**	**52,717**	**14,84,795**	**20,64,687/-**

The total re-assessed duty liability thus works out to Rs. 20,64,687/-. Against this, duty of Rs. 6,45,313/- had been self-assessed on the Bill of Entry. The differential duty is therefore Rs. 14,19,374/-.

9.2. The importer in the BE no. 8393164 dated 31.03.2026, has declared the value of the goods as Rs. 35,85,069/- and calculated the applicable duties and taxes on the good declared, based on the declared value and classification in the Bill of Entry as **Rs.** 6,45,313**/-.**

9.3. Based on the calculations from Table-VIII above, the importer is need to pay/levy a differential liability of Rs. 14,19,374/- on the undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the misdeclaration/undervaluation of goods.

10. RELEVANT LEGAL PROVISIONS

(A) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

Section 2(22): "goods" includes (a) vessels, aircrafts and vehicles; (b) stores; (c) baggage; (d) currency and negotiable instruments; and (e) any other kind of movable property;

Section 2(23): “import”, with its grammatical variations and cognate expressions, means bringing into India from a place outside India;

Section 2(25): “imported goods”, means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;

Section 2(26): "importer", in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes [any owner, beneficial owner] or any person holding himself out to be the importer;

As per Section 2 (33) of the Customs Act, 1962 ‘prohibited goods’ means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with.

Section 2(39): “smuggling”, in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113.

Section 11A: “illegal import” means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force.

Section 17. Assessment of duty. –

(1) An importer entering any imported goods under section 46, or an exporter

entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

Section 46. Entry of goods on importation:

(4) The importer while presenting a Bill of Entry shall make and subscribe to a declaration as to the truth of the contents of such Bill of Entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, relating to the imported goods.

(4A) the importer who presents a Bill of Entry shall ensure the following, namely:

(a) The accuracy and completeness of the information given therein;

(b) The authenticity and validity of any document supporting it; and

(c) Compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

Section 111. Confiscation of improperly imported goods, etc. – The following goods brought from a place outside India shall be liable to confiscation:-

(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;

(l) any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;

(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof, or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54;

Section 112. Penalty for improper importation of goods, etc. –

Any person,-

a. who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

b. who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing,

selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

shall be liable,-

i. in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty [not exceeding the value of the goods or five thousand rupees, whichever is the greater;
ii. in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:

114AA. Penalty for use of false and incorrect material.—

If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.

(B) Relevant Provisions of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007:

"Rule 4. Transaction value of identical goods. - (1) (a) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued;

(3) In applying this rule, if more than one transaction value of identical goods is found, the lowest such value shall be used to determine the value of imported goods.

"Rule 5. Transaction value of similar goods . - (1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:

Provided that ……..

(2) The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, mutatis mutandis, also apply in respect of similar goods.

Rule 7. Deductive value.-

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the

imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -

(i) either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;

(ii) the usual costs of transport and insurance and associated costs incurred within India;

(iii) the customs duties and other taxes payable in India by reason of importation or sale of the goods.

(2) If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule (1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of ninety days after such importation.

(3) (a) If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.

(b) In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).

Rule 8. Computed value.-

Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-

(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;

(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;

(c) the cost or value of all other expenses under sub-rule (2) of rule 10.

Rule 9. Residual method:-

(1) Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India;

Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and

place of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.

(2) No value shall be determined under the provisions of" this rule on the basis of –

(i) the selling price in India of the goods produced in India;

(ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;

(iii) the price of the goods on the domestic market of the country of exportation;
(iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;

(v) the price of the goods for the export to a country other than India;

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

Rule 12. Rejection of declared value. - (1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, he may ask the importer of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such importer, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such imported goods cannot be determined under the provisions of sub-rule (1) of rule 3.

11. OUTCOME OF THE INVESTIGATION

11.1. As discussed in the foregoing paras, it appears that M/s. Divyansh Steels had filed Bill of Entry No. **8393164 dated 31.03.2026** declaring the entire imported consignment weighing **53,878 Kgs** as **"Stainless Steel Melting Scrap 201 Grade"** classifiable under CTH **72042190**. However, during examination of the goods under Panchnama dated 07.04.2026, the consignment was found to contain **44,260 Kgs of Stainless Steel Circles**, packed in **20 PP Jumbo Bags**, along with **9,618 Kgs of Stainless Steel Scrap**. Accordingly, the description, classification and quantity of the goods declared in the said Bill of Entry were found not to correspond with the goods actually imported. The Stainless Steel Circles weighing 44,260 Kgs were accordingly required to be classified under CTH **72209090**, whereas the Stainless Steel Scrap weighing 9,618 Kgs remained classifiable under CTH **72042190**.

11.2. Further, the Stainless Steel Circles were found packed in PP Jumbo Bags and placed behind/beneath the Stainless Steel Scrap in both the containers.

Thus, the predominant quantity of the imported consignment, i.e. **44,260 Kgs out of the total 53,878 Kgs**, consisted of Stainless Steel Circles which had not been declared in the Bill of Entry. The investigation, therefore, revealed substantial mis-declaration of the description, quantity and classification of the imported goods. Further, the imported Stainless Steel Circles were found to attract mandatory compliance requirements relating to **BIS under IS 6911** as well as the applicable **SIMS** requirements. The investigation also found issues concerning the applicable SIMS/PSIC requirements in respect of the imported Stainless Steel Scrap. The Stainless Steel Circles were consequently placed under seizure vide **Seizure Memo dated 21.04.2026** by the officers of DRI/AZU.

11.3. It is pertinent to mention that the importer had declared the assessable value of the goods covered under Bill of Entry No. 8393164 dated 31.03.2026 as **Rs. 35,85,069/-**. Since the description and nature of the goods actually found during examination materially differed from the declaration made in the Bill of Entry, the declared transaction value was examined during investigation. As contemporaneous import data of identical/similar goods was not found suitable and the value could not be determined under Rules 4 to 8 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the valuation was undertaken under the residual method prescribed under **Rule 9 of the CVR, 2007**. The Chartered Engineer, vide **CE Report No. ABJ:CE:MUN:DRI:DS:26-27:01 dated 25.04.2026**, suggested the value of **44,260 Kgs of Stainless Steel Circles at Rs. 70,28,986/-** and **9,618 Kgs of Stainless Steel Scrap at Rs. 6,39,987/-**, thereby determining the total assessable value of the imported goods at **Rs. 76,68,972/-**, as against the declared assessable value of Rs. 35,85,069/-. Accordingly, the declared assessable value appears liable to rejection under **Rule 12 of the CVR, 2007** and re-determination at **Rs. 76,68,972/- under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962**.

11.4. Thus, it appears that the importer failed to correctly declare the description, classification, quantity and value of the goods imported under Bill of Entry No. 8393164 dated 31.03.2026. Consequently, the self-assessment made by the importer is liable to be rejected/re-assessed under **Section 17(4) of the Customs Act, 1962**. On the basis of the re-determined classification, quantity and assessable value of the imported goods, the differential duty liability has been worked out to **Rs. 14,19,374/-**, which appears liable to be recovered from the importer in accordance with law. The investigation accordingly concludes that the declared assessable value of **Rs. 35,85,069/-** is liable to rejection and re-determination at **Rs. 76,68,972/-**, and the subject Bill of Entry is liable to re-assessment with the aforesaid differential duty.

11.5. From the foregoing facts, it further appears that the **44,260 Kgs of**

Stainless Steel Circles, having re-determined assessable value of **Rs. 70,28,986/-**, were not declared as such in the Bill of Entry and were imported without compliance with the applicable **BIS/SIMS requirements**. The said goods, therefore, appear liable to confiscation under **Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962**, on account of non-compliance with the applicable import conditions and material mis-declaration in respect of description, classification, quantity and value.

11.6. Further, the **9,618 Kgs of Stainless Steel Scrap**, having re-determined assessable value of **Rs. 6,39,987/-**, was also found to be affected by the applicable **PSIC/SIMS and declaration-related issues** brought out during investigation. Accordingly, the said Stainless Steel Scrap also to be liable to confiscation under **Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962**.

11.7. In view of the above acts of omission and commission, particularly the declaration of the entire consignment as Stainless Steel Melting Scrap despite the physical examination revealing that the predominant quantity consisted of Stainless Steel Circles, coupled with the incorrect declaration of description, classification and value in the import documents and the non-compliance with the applicable statutory/import-policy requirements, M/s. Divyansh Steels also appears liable to penal action under **Section 112(a)(i) and Section 114AA of the Customs Act, 1962**.

12. The importer, **M/s. Divyansh Steels**, vide their letter dated **21.07.2026**, has requested to decide the matter on merits and has specifically requested for **waiver of issuance of Show Cause Notice and Personal Hearing** in the matter. The importer has further submitted that they **agree with the valuation opined by the Chartered Engineer** in his report and are ready to pay the applicable **fine and penalty**, as may be determined in accordance with law. The importer has also requested for permission for **release of the subject goods at the earliest**. Further, during the course of investigation, the importer submitted SIMS Registration No. MOSSIMS220726625823 dated 22.07.2026 and PSIC Sr. No. IN11202386041 issued by Global Marine Inspection for consideration in the matter.

13. In view of the above, it appears that:—

(i) The declared description, classification and quantity of the goods covered under Bill of Entry No. **8393164 dated 31.03.2026** are liable to be rejected and re-determined as 44,260 Kgs of Stainless Steel Circles under CTH 72209090 and 9,618 Kgs of Stainless Steel Scrap under CTH 72042190.

(ii) The declared assessable value of the goods imported under under Bill of Entry No. 8393164 dated 31.03.2026 i.e. **Rs. 35,85,069/-** is liable to be rejected under **Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007** and required to be re-determined at **Rs. 76,68,972/-** under **Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962**,

(iii) The self-assessment made by the importer in Bill of Entry No. **8393164 dated 31.03.2026** is liable to be rejected/re-assessed under **Section 17(4) of the Customs Act, 1962**, and the differential duty amounting to **Rs. 14,19,374/-** is liable to be recovered from the importer in accordance with law.

(iv) The imported **44,260 Kgs of Stainless Steel Circles**, classifiable under C T H **72209090** and having re-determined assessable value of **Rs. 70,28,986/-**, are liable to confiscation under **Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962**, for the violations brought out during the investigation, including non-compliance with the applicable BIS/SIMS requirements and mis-declaration of the goods.

(v) The imported **9,618 Kgs of Stainless Steel Scrap**, classifiable under CTH **72042190** and having re-determined assessable value of **Rs. 6,39,987/-**, are liable to confiscation under **Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962**, for non-compliance valid SIMS certificate .and PSIC.

(vi) Penalty under Section 112 (a)(i) and 114AA of the Customs Act, 1962 is imposable upon the importer..

13.1 Accordingly, an Investigation Report 123/2026-27 dated 29.07.2026 has been issued by SIIB, Mundra Customs.

WRITTEN SUBMISSION AND PERSONAL HEARING

14. M/s. M/s Divyansh Steels, Importer, vide their letter dated NIL, has requested for waiver of issuance of Show Cause Notice and also mentioned that they do not want Personal hearing in the subject matter. They further requested to proceed with adjudication and they are willing to pay the differential duty and penalty, if any, as determined by the proper officer in accordance with law. Further, Importer vide their letter dated 05-09-2026, also submitted that the goods “Cold Rolled Stainless Circles 201 (CTH 72209090)” are now covered by the exemption granted under Ministry of Steel, Government of India, Order No. S-20011/15/2024-TECH-Part(1), they requested to kindly extend the benefit of the applicable exemption, complete the assessment, and permit clearance and release of the goods for home consumption at the earliest.

DISCUSSION AND FINDINGS

15. I have carefully gone through **Investigation Report No. 123/2026-27 dated 29.07.2026** forwarded by SIIB, Custom House, Mundra, the relied upon documents and all other material available on record. I note that **M/s. Divyansh Steels**, vide their letter dated **21.07.2026**, have specifically requested waiver of issuance of Show Cause Notice and Personal Hearing, have agreed to the valuation opined by the Chartered Engineer, have expressed willingness to pay applicable fine and penalty, and have requested the earliest possible release of the goods. I further note that the importer has submitted SIMS Registration No. MOSSIMS220726625823 dated 22.07.2026 and PSIC Sr. No. IN11202386041 issued by Global Marine Inspection. The case is accordingly being decided on the basis of the Investigation Report, the relied upon documents, statements recorded during investigation and all other material evidence available on record. I am satisfied that the principles of natural justice have been duly complied with, inasmuch as **M/s. Divyansh Steels** having voluntarily waived issuance of Show Cause Notice and Personal Hearing under the first proviso to Section 124 of the Customs Act, 1962, the matter is accordingly being disposed of on the basis of the material available on record.

15.1 On a careful perusal of the Investigation Report and case records, I find that the following main issues arise for consideration and determination in the present case:

(i) Whether the **declared description, quantity, number of items and classification** of the goods covered under **Bill of Entry No. 8393164 dated 31.03.2026**, wherein the entire consignment weighing **53,878 Kgs** was declared as *"Stainless Steel Melting Scrap 201 Grade"* under CTH **72042190**, are liable to be rejected and re-determined on the basis of the goods actually found during examination as **44,260 Kgs of Stainless Steel Circles classifiable under CTH 72209090** and **9,618 Kgs of Stainless Steel Scrap classifiable under CTH 72042190**;

(ii) Whether the declared assessable value of **Rs. 35,85,069/-** is liable to be rejected under **Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007** and re-determined at **Rs. 76,68,972/-** under **Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962**, on the basis of the valuation arrived at by the Chartered Engineer;

(iii) Whether the self-assessment made by the importer in **Bill of Entry No. 8393164 dated 31.03.2026** is liable to be rejected and the said Bill of Entry is required to be **re-assessed under Section 17(4) of the Customs Act, 1962**, with consequential **differential duty of Rs. 14,19,374/-**;

(iv) Whether the goods at **Sr. No. 1 of Table-VI**, namely **Stainless Steel Circles**

(CTH 72209090), weighing 44,260 Kgs and having re-determined assessable value of Rs. 70,28,986/-, are liable to confiscation under **Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962**, on account of their non-declaration/mis-declaration and the alleged non-compliance with the applicable **BIS and SIMS requirements**;

(v) Whether the goods at **Sr. No. 2 of Table-VI**, namely **Stainless Steel Scrap (CTH 72042190), weighing 9,618 Kgs and having re-determined assessable value of Rs. 6,39,987/-**, are liable to confiscation under **Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962**, on account of non-compliance of SIMS, undervaluation and quantity mis-declaration; and

(vi) Whether, in view of the aforesaid acts and omissions, **M/s. Divyansh Steels** are liable to penalty under **Section 112(a)(i) and Section 114AA of the Customs Act, 1962**.

16. FIRST ISSUE - RE-DETERMINATION OF DESCRIPTION, CLASSIFICATION AND QUANTITY

15.1 I find that M/s. Divyansh Steels filed **Bill of Entry No. 8393164 dated 31.03.2026** declaring the entire imported consignment weighing **53,878 Kgs** as **"Stainless Steel Melting Scrap 201 Grade"**, classifiable under CTH **72042190**. However, during physical examination of the goods under Panchnama dated **07.04.2026**, the goods actually found in the two containers were materially different from the declaration made in the Bill of Entry. The examination revealed **44,260 Kgs of Stainless Steel Circles**, packed in **20 PP/Jumbo Bags**, in addition to Stainless Steel Scrap. The Investigation Report has finally adopted the quantities of the two categories of goods as under:

Table-IX

Sr. No.	Description	Declared Quantity (Kgs)	Re-determined Quantity (Kgs)
1	Stainless Steel Circles	-	44,260
2	Stainless Steel Scrap	53,878	9,618

16.2 I further find from the Panchnama that scrap-like material in bundles/loose form was found near the doors of both containers and, after removal thereof, PP/Jumbo Bags containing round Stainless Steel Circles of uniform diameter and thickness were found behind/beneath the scrap material. Thus, the goods actually imported were not merely Stainless Steel Melting Scrap as declared in the Bill of Entry. The Stainless Steel Circles constituted a separate, identifiable and usable category of goods and were required to be

declared separately with their correct description, quantity and classification.

16.3 I also find that the original **SIMS Registration No. MOSSIMS200326480394 dated 20.03.2026** declared HS Code **72042190**, description/category pertaining to Stainless Steel Scrap, and quantity of **53.878 MT**. Thus, the SIMS registration accompanying the import documents also proceeded on the basis that the entire consignment consisted of Stainless Steel Scrap and did not cover the Stainless Steel Circles actually found under CTH 72209090.

16.4 In view of the above physical examination findings and the material available on record, I reject the declaration whereby the entire consignment was declared as **Stainless Steel Melting Scrap 201 Grade under CTH 72042190**. I hold that the goods are required to be re-determined as **44,260 Kgs of Stainless Steel Circles classifiable under CTH 72209090** and **9,618 Kgs of Stainless Steel Scrap**, for the purposes of this order.

17. SECOND ISSUE — REJECTION OF DECLARED VALUE AND RE-DETERMINATION OF ASSESSABLE VALUE

17.1 I find that the declared assessable value of **Rs. 35,85,069/-** in Bill of Entry No. **8393164 dated 31.03.2026** cannot be accepted as the true and correct transaction value of the imported goods under **Section 14 of the Customs Act, 1962 read with Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007**. During examination, the goods were found to consist of **44,260 Kgs of Stainless Steel Circles** and **9,618 Kgs of Stainless Steel Scrap**, whereas the entire consignment had been declared as *"Stainless Steel Melting Scrap 201 Grade"*. The Chartered Engineer, vide **Report No. ABJ:CE:MUN:DRI:DS:26-27:01 dated 25.04.2026**, determined the fair value of the goods at **Rs. 76,68,972/-** (at **USD 1 = Rs. 94.25/-**), comprising **Rs. 70,28,986/- for Stainless Steel Circles (44,260 Kgs × USD 1.685/Kg)** and **Rs. 6,39,987/- for Stainless Steel Scrap (9,618 Kgs × USD 0.706/Kg)**, as against the declared assessable value of Rs. 35,85,069/-. Once the physical examination established that **44,260 Kgs**, constituting the predominant portion of the consignment, actually consisted of Stainless Steel Circles, the description and classification forming the basis of the declared transaction value no longer corresponded with the goods actually imported. The material discrepancy between the declared goods and the goods actually found provides reasonable grounds for doubting the truth and accuracy of the declared value.

17.2 16.2 I accordingly reject the declared assessable value of **Rs. 35,85,069/- (Rupees Thirty-Five Lakh Eighty-Five Thousand and Sixty-Nine Only)** under **Rule 12 of the Customs Valuation (Determination of Value of Imported**

Goods) Rules, 2007 and re-determine the assessable value at **Rs. 76,68,972/- (Rupees Seventy-Six Lakh Sixty-Eight Thousand Nine Hundred and Seventy-Two Only)** under **Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962**, comprising **Rs. 70,28,986/-** in respect of **44,260 Kgs of Stainless Steel Circles** and **Rs. 6,39,987/-** in respect of **9,618 Kgs of Stainless Steel Scrap**, on the basis of the valuation determined by the Chartered Engineer.

18. THIRD ISSUE - RE-ASSESSMENT AND DIFFERENTIAL DUTY

18.1 I find that on the basis of the **re-determined description, classification, quantities and assessable value** of the imported goods, the total duty liability works out to **Rs. 20,64,687/-**, as detailed in **Table-VIII of the Investigation Report**, comprising **BCD of Rs. 5,27,174/-, SWS of Rs. 52,717/- and IGST of Rs. 14,84,795/-**. However, the importer had declared/self-assessed duty of **Rs. 6,45,313/-** in Bill of Entry No. **8393164 dated 31.03.2026**. The differential duty accordingly works out to **Rs. 14,19,374/- (Rupees Fourteen Lakh Nineteen Thousand Three Hundred and Seventy-Four Only)**.

18.2 I accordingly order **re-assessment of Bill of Entry No. 8393164 dated 31.03.2026 under Section 17(4) of the Customs Act, 1962**, on the basis of the re-determined description, classification, quantities and assessable value of the imported goods, with **differential duty of Rs. 14,19,374/-**.

19. FOURTH ISSUE — CONFISCATION OF STAINLESS STEEL CIRCLES (CTH 72209090)

19.1 I find that the **Stainless Steel Circles (CTH 72209090)** fall within the ambit of mandatory BIS certification under **IS 6911** as per the **Steel and Steel Products Quality Control Order, 2024 dated 05.02.2024**. In the present case, M/s. Divyansh Steels had declared the entire consignment covered under **Bill of Entry No. 8393164 dated 31.03.2026** as *"Stainless Steel Melting Scrap 201 Grade"* under CTH 72042190. However, during examination of the goods under Panchnama dated 07.04.2026, **44,260 Kgs of Stainless Steel Circles**, having re-determined assessable value of **Rs. 70,28,986/-**, were found concealed behind/beneath the scrap-like material in the two containers. The goods imported in contravention of mandatory quality control requirements imposed under the Bureau of Indian Standards Act, 2016 read with applicable Quality Control Orders constitute goods imported contrary to a prohibition imposed under other laws for the time being in force, and are thereby liable for confiscation under **Section 111(d)** of the Customs Act, 1962 as they stood at the time of IGM inward.

19.2 I further find that the **SIMS Registration No. MOSSIMS200326480394 dated 20.03.2026**, obtained by the importer prior to import, covered **HS Code 72042190 — Stainless Steel Scrap**, for a quantity of **53.878 MT**, and did not cover the **Stainless Steel Circles classifiable under CTH 72209090** actually found during examination. Thus, the Stainless Steel Circles were imported without the applicable SIMS registration corresponding to their actual description and classification. The subsequent production of **SIMS No. MOSSIMS220726625823 dated 22.07.2026** does not alter the factual position that, at the time of import and filing of the subject Bill of Entry, the Stainless Steel Circles had neither been declared as such nor covered by the SIMS registration accompanying the import documents.

19.3 I also find that the said **44,260 Kgs of Stainless Steel Circles** were not declared anywhere in the Bill of Entry as Stainless Steel Circles. Instead, the entire quantity of **53,878 Kgs** was declared as Stainless Steel Melting Scrap 201 Grade under CTH 72042190. Thus, the Stainless Steel Circles actually found during examination were **goods which were not included in the entry made under Section 46 of the Customs Act, 1962 as such**, thereby attracting the provisions of **Section 111(l)** of the Customs Act, 1962. Further, since the description, classification and value declared in the Bill of Entry did not correspond with the goods actually found, the said Stainless Steel Circles are also liable to confiscation under **Section 111(m)** of the Customs Act, 1962.

19.4 I find that **44,260 Kgs of Stainless Steel Circles (CTH 72209090), having re-determined assessable value of Rs. 70,28,986/-**, imported under Bill of Entry No. 8393164 dated 31.03.2026, were not declared in the Bill of Entry with their correct description and classification and were not covered by the applicable SIMS registration at the time of import. The Investigation Report also records non-compliance with the applicable BIS requirement under IS 6911 at the relevant stage. I, therefore, hold the said goods liable to confiscation under **Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962**.

19.5 Redemption fine Under Section 125 of the Customs Act, 1962:

19.5.1 I find that Section 125(1) of the Customs Act, 1962 reads as under:

> *"Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods an option to pay in lieu of confiscation such fine as the said officer thinks fit."*

19.5.2 A plain reading of the above provision shows that imposition of

redemption fine is an option in lieu of confiscation, is a statutory discretion vested in the adjudicating authority. It is well established that the import of goods, namely *Cold Rolled Stainless Circles 201* (CTH 72209090), is regulated, conditional, and subject to technical quality standards and registration compliances. The confiscation ordered herein under Sections 111(d), 111(l), and 111(m) of the Customs Act, 1962 is a legal consequence arising from the initial procedural non-fulfilment of statutory requirements—specifically, the absence of BIS certification at the time of import of subject goods, belated SIMS registration, and discrepancies in declared quantity and valuation. Further, Importer vide their letter dated 05.09.2026 has submitted that the goods are now covered by the exemption granted under Ministry of Steel, Government of India, Order vide F.No. S-20011/15/2024-TECH-Part(1) dated 27.04.2026; that therefore they requested to extend the benefit of the applicable exemption, and permit clearance and release of the goods for home consumption at the earliest.

19.5.3 I find that the question of exercise of discretion under the first part of Section 125(1) of the Customs Act, 1962, whether to give the option of payment of fine in lieu of confiscation, in respect of subject imported goods "Cold Rolled Stainless Circles 201 (CTH 72209090)", has been authoritatively settled by the Hon'ble Supreme Court of India in **Union of India and Others v. Raj Grow Impex LLP and Others [2021 (377) ELT 145 (SC), decided on 17.06.2021]**. The Hon'ble Supreme Court, in the said judgment, at Para 79, specifically held and expounded as under:

> *"As noticed, the exercise of discretion is a critical and solemn exercise, to be undertaken rationally and cautiously and has to be guided by law; has to be according to the rules of reason and justice; and has to be based on relevant considerations. The quest has to be to find what is proper. Moreover, an authority acting under the Customs Act, when exercising discretion conferred by Section 125 thereof, has to ensure that such exercise is in furtherance of accomplishment of the purpose underlying conferment of such power. The purpose behind leaving such discretion with the Adjudicating Authority in relation to prohibited goods is, obviously, to ensure that all the pros and cons shall be weighed before taking a final decision for release or absolute confiscation of goods."*

The Hon'ble Supreme Court further held, at Para 69.1, as follows:

> *"A bare reading of the provision aforesaid makes it evident that a clear distinction is made between 'prohibited goods' and 'other goods'. As has rightly been pointed out, the latter part of Section 125 obligates the release of confiscated goods (i.e., other than prohibited goods) against redemption fine but, the earlier part of this provision makes no such compulsion as*

regards the prohibited goods; and it is left to the discretion of the Adjudicating Authority that it may give an option for payment of fine in lieu of confiscation.…"

19.5.4 In view of the above para and considering the Importer's request for releasing the goods for home consumption, I find that the following material facts have been taken into consideration:

(i) BIS Exemption: I find that subsequent to the import of the subject consignment, the **Ministry of Steel, Government of India, vide Order dated 27.04.2026**, extended the compliance exemption for specific Indian Standards including **IS 6911**, under which the subject Stainless Steel Circles fall, in respect of imports having **Bill of Lading "shipped on board" date on or before 26.10.2026**. In the present case, the goods covered under **Bill of Entry No. 8393164 dated 31.03.2026** was shipped under the **Bill of Lading dated 11.03.2026**, i.e. prior to the stipulated cut-off date of 26.10.2026. I also note that the subject goods have continued to remain in Customs custody. The importer, in the statement recorded during investigation, has specifically relied upon the Ministry of Steel Order dated 27.04.2026 and stated that the exemption had been extended up to 26.10.2026 for IS 6911, IS 5522, IS 15997 and IS 14650.

(ii) Nature of SIMS Non-Compliance and Subsequent Compliance: I find that the importer had originally obtained **SIMS Registration No. MOSSIMS200326480394 dated 20.03.2026** covering **HS Code 72042190 – Stainless Steel Scrap**, quantity **53.878 MT**. However, the said registration did not cover the **44,260 Kgs of Stainless Steel Circles classifiable under CTH 72209090** actually found during examination. Thus, insofar as the Stainless Steel Circles are concerned, the requisite SIMS registration corresponding to their actual description and classification was not available at the time of import.

I, however, note that during the course of proceedings the importer subsequently produced **SIMS No. MOSSIMS220726625823 dated 22.07.2026**. The requirement of registration under the **Steel Import Monitoring System (SIMS)** is a regulatory monitoring requirement governing import of the subject goods. Though the absence of appropriate SIMS registration for the Stainless Steel Circles at the relevant stage constitutes non-compliance and has been taken into account while determining their liability to confiscation, the requisite subsequent SIMS registration has been placed on record prior to final assessment and clearance of the goods.

19.6 In view of the above, I am of the considered view that it is appropriate and proportionate to allow the importer to redeem the goods for home consumption, on payment of redemption fine, subject to payment of all

applicable customs duty, differential duty and other charges. Accordingly, I give M/s. Divyansh Steels an option to redeem the Cold Rolled Stainless Circles 201 for home consumption on payment of redemption fine under Section 125(1) of the Customs Act, 1962, subject to payment of all applicable customs duty, differential duty and other charges.

20. FIFTH ISSUE – CONFISCATION: ITEM NO. 2: STAINLESS STEEL SCRAP (CTH 72042190)

20.1 I find that **Stainless Steel Melting Scrap 201 Grade (CTH 72042190)** falls under Chapter 72 of the Customs Tariff and is subject to the applicable import policy conditions, including the requirement of registration under the **Steel Import Monitoring System (SIMS)**. In the present case, however, I find that M/s. Divyansh Steels had obtained **SIMS Registration No. MOSSIMS200326480394 dated 20.03.2026**, prior to filing of **Bill of Entry No. 8393164 dated 31.03.2026**, covering HS Code **72042190**, description/category of Stainless Steel Scrap, quantity **53.878 MT**, country of origin/consignment as Indonesia and port of import as Mundra.

20.2 I, however, find that import of Stainless Steel Melting Scrap is also subject to the requirement of a valid **Pre-Shipment Inspection Certificate (PSIC)** in terms of the applicable import policy conditions. The importer had produced **PSIC No. PSICSMVIIX644989AM26 issued by M/s. SMV International Incorporation** in respect of the subject consignment. The Investigation Report records that, on verification, the said agency was not authorised for issuance of PSIC in respect of goods imported from **Indonesia** and, consequently, the PSIC produced at the time of import was treated as invalid. Thus, notwithstanding the availability of SIMS registration for the scrap, the Stainless Steel Melting Scrap was imported without a valid PSIC applicable to the country of export, thereby attracting the provisions of **Section 111(d) of the Customs Act, 1962**.

20.3 I further find that the entire consignment weighing **53,878 Kgs** had been declared in the Bill of Entry as Stainless Steel Melting Scrap 201 Grade under CTH 72042190, whereas examination revealed that the consignment actually comprised **44,260 Kgs of Stainless Steel Circles** and only **9,618 Kgs of Stainless Steel Scrap**. The Chartered Engineer re-determined the assessable value of the scrap portion weighing 9,618 Kgs at **Rs. 6,39,987/-**, forming part of the total re-determined assessable value of Rs. 76,68,972/-. Thus, the declaration made in respect of the consignment did not correspond with the goods actually found in respect of their description, composition and value, thereby attracting the provisions of **Section 111(m) of the Customs Act, 1962**.

20.4 As regards the proposal for confiscation under **Section 111(l) of the Customs Act, 1962**, In the present case, Stainless Steel Melting Scrap was in fact included in the entry made under Section 46 of the Customs Act, 1962; rather, the entire quantity of 53,878 Kgs had been declared as scrap. The discrepancy arose because physical examination established that only 9,618 Kgs represented Stainless Steel Scrap, while the predominant quantity of 44,260 Kgs consisted of undeclared Stainless Steel Circles. Therefore, insofar as the **scrap portion itself** is concerned, I do not find sufficient basis to sustain confiscation under Section 111(l), which relates to dutiable or prohibited goods not included or being in excess of those included in the entry. Accordingly, while the Investigation Report proposed confiscation of the scrap under Sections 111(d), 111(l) and 111(m), I hold the **9,618 Kgs of Stainless Steel Melting Scrap liable to confiscation under Sections 111(d) and 111(m)** of the Customs Act, 1962.

20.5 Redemption Fine under Section 125 of the Customs Act, 1962:

20.5.1 I find that Section 125(1) of the Customs Act, 1962 reads as under:

> *"Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods an option to pay in lieu of confiscation such fine as the said officer thinks fit."*

I find that **Section 125(1) of the Customs Act, 1962** provides for an option to pay fine in lieu of confiscation in the circumstances specified therein. In deciding whether the subject Stainless Steel Melting Scrap should be permitted redemption for home consumption, I take into consideration the nature of the violation, the subsequent compliance produced by the importer and the fact that the goods continue to remain under Customs control.

20.5.2 I find that the importer has subsequently produced **PSIC Sr. No. IN11202386041 issued by Global Marine Inspection** and has requested clearance of the goods for home consumption. The importer has also requested waiver of Show Cause Notice and Personal Hearing, agreed with the Chartered Engineer's valuation, expressed willingness to pay the applicable fine and penalty and sought early release of the goods. The effect of the subsequently produced PSIC is therefore relevant for the limited purpose of deciding redemption and clearance, subject to verification of its validity and applicability to the subject consignment by the proper officer.

20.5.3 In view of the above circumstances, I am of the considered view that, while the deficiency in the PSIC available at the time of import and the material

misdeclaration/value discrepancy render the subject scrap liable to confiscation under **Sections 111(d) and 111(m) of the Customs Act, 1962**, the subsequent production of PSIC may be taken into account for permitting redemption. Accordingly, subject to verification of the subsequently produced PSIC and fulfilment of all applicable statutory requirements, allowing the Stainless Steel Melting Scrap to be cleared for home consumption on payment of an appropriate redemption fine would meet the ends of adjudication. The Kasthbhanjan model similarly proceeds to redemption under Section 125 after considering the nature of the applicable import condition and subsequent compliance.

20.5.4 I accordingly give **M/s. Divyansh Steels** an option to redeem the **9,618 Kgs of Stainless Steel Melting Scrap 201 Grade (CTH 72042190), having re-determined assessable value of Rs. 6,39,987/- (Rupees Six Lakh Thirty-Nine Thousand Nine Hundred and Eighty-Seven Only)**, for home consumption on payment of **redemption fine under Section 125(1) of the Customs Act, 1962**.

21. SIXTH ISSUE - PENALTIES

21.1 Penalty under Section 112(a)(i) of the Customs Act, 1962

I find that **M/s. Divyansh Steels** filed **Bill of Entry No. 8393164 dated 31.03.2026** declaring the entire consignment of **53,878 Kgs** as *"Stainless Steel Melting Scrap 201 Grade"* under **CTH 72042190**. However, physical examination of the goods revealed that the consignment actually comprised **44,260 Kgs of Stainless Steel Circles**, classifiable under **CTH 72209090**, and **9,618 Kgs of Stainless Steel Melting Scrap 201 Grade**, classifiable under CTH 72042190. Thus, a substantial portion of the consignment consisting of Stainless Steel Circles was not declared in the Bill of Entry with its actual description and classification. The circles were also not covered by the SIMS registration obtained for the declared scrap, and the Investigation Report records non-compliance with the applicable BIS requirement under **IS 6911** at the relevant stage of import. In respect of the Stainless Steel Melting Scrap, the PSIC produced at the time of import was found during investigation to have been issued by an agency which was not authorised for issuance of PSIC for goods imported from Indonesia.

I further find that these acts and omissions on the part of the importer have rendered the **44,260 Kgs of Stainless Steel Circles** liable to confiscation under **Sections 111(d), 111(l) and 111(m)** of the Customs Act, 1962 and the **9,618 Kgs of Stainless Steel Melting Scrap 201 Grade** liable to confiscation under **Sections 111(d) and 111(m)** of the Customs Act, 1962, as discussed hereinabove. The subsequent production of SIMS/PSIC and the subsequent regulatory relaxation considered for the purpose of redemption do not efface the

acts and omissions existing at the relevant stage of import which rendered the goods liable to confiscation. Accordingly, **M/s. Divyansh Steels is liable to penalty under Section 112(a)(i) of the Customs Act, 1962**.

21.2 Penalty under Section 114AA of the Customs Act, 1962

I find that **M/s. Divyansh Steels** declared the goods in **Bill of Entry No. 8393164 dated 31.03.2026** as a single item, namely **53,878 Kgs of Stainless Steel Melting Scrap 201 Grade under CTH 72042190**, whereas examination established that the consignment actually contained **44,260 Kgs of Stainless Steel Circles classifiable under CTH 72209090** and only **9,618 Kgs of Stainless Steel Melting Scrap 201 Grade under CTH 72042190**. Further, the declared assessable value of **Rs. 35,85,069/-** was found to be substantially lower than the re-determined assessable value of **Rs. 76,68,972/-**, comprising **Rs. 70,28,986/-** for the Stainless Steel Circles and **Rs. 6,39,987/-** for the Stainless Steel Melting Scrap, as determined on the basis of the Chartered Engineer's Report.

These declarations made in the Bill of Entry filed under **Section 46 of the Customs Act, 1962** were therefore incorrect in material particulars relating to the **description, classification, composition and value** of the imported goods. In particular, the predominant quantity of **44,260 Kgs of Stainless Steel Circles** was declared as Stainless Steel Melting Scrap, resulting in non-declaration of the actual goods and their correct tariff classification. The importer has subsequently accepted the valuation determined by the Chartered Engineer. By making/causing such materially incorrect declarations to be made in the Bill of Entry and using the said declaration for the purpose of assessment and clearance of the imported goods, **M/s. Divyansh Steels has rendered itself liable to penalty under Section 114AA of the Customs Act, 1962**.

2 2 . In view of the aforesaid discussions and findings, I pass the following order:

ORDER

22.1 I reject the declared single-item description/classification in Bill of Entry No. 8393164 dated 31.03.2026 and order re-determination of the goods as 44,260 Kgs of Stainless Steel Circles under CTH 72209090 and 9,618 Kgs of Stainless Steel Scrap under CTH 72042190, as detailed in Tables V and VI above.

22.2 I reject the declared assessable value of Rs. 35,85,069/- **(Rupees Thirty-Five Lakh Eighty-Five Thousand and Sixty-Nine Only)** under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine the assessable value at Rs. 76,68,972/- **(Rupees Seventy-Six Lakh Sixty-Eight Thousand Nine Hundred and Seventy-Two**

Only) under Rule 9 of CVR, 2007 read with Section 14 of the Customs Act, 1962, as detailed in Table-VII of Para 5.3, supra.

22.3 I order re-assessment of Bill of Entry No. 8393164 dated 31.03.2026 under Section 17(4) of the Customs Act, 1962 as discussed above.

22.4 I order confiscation of 44,260 Kgs of Stainless Steel Circles (CTH 72209090), having re-determined assessable value of Rs. 70,28,986/- **(Rupees Seventy Lakh Twenty-Eight Thousand Nine Hundred and Eighty-Six Only)**, under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962 for the reason discussed above. However, I give M/s Divyansh Steels an option to redeem the said goods for home consumption on payment of Redemption Fine o f **Rs. 7,00,000/- (Rupees Seve Lakh Only)** under Section 125(1) of the Customs Act, 1962, as discussed supra.

22.5 I order confiscation of 9,618 Kgs of Stainless Steel Scrap (CTH 72042190), having re-determined assessable value of Rs. 6,39,987/- **(Rupees Six Lakh Thirty-Nine Thousand Nine Hundred and Eighty-Seven Only)**, under Sections 111(d) and 111(m) of the Customs Act, 1962. I give M/s Divyansh Steels an option to redeem the said goods for home consumption on payment of Redemption Fine of **Rs. 50,000/- (Rupees Fifty Thousand Only)** under Section 125(1) of the Customs Act, 1962, as discussed supra.

22.6 I impose a penalty of Rs. 3,50,000/- (Rupees Three Lakh Fifty Thousand Only) on M/s Divyansh Steels (IEC: AMJPC1767H) under Section 112(a)(i) of the Customs Act, 1962.

22.7 I impose a penalty of Rs.10,000/- (Rupees Ten Thousand Only) on M/s Divyansh Steels (IEC: AMJPC1767H) under Section 114AA of the Customs Act, 1962, as discussed supra.

23. This Order-in-Original is issued without prejudice to any other action that may be taken against M/s Divyansh Steels or any other person under the provisions of the Customs Act, 1962, or any rules/regulations/notifications made thereunder, or under any other law for the time being in force.

Digitally signed by Dipakbhai Zala
Date: 25-09-2026 17:23:52

(DIPAK ZALA)
Additional Commissioner of Customs
Mundra Customs

M/s. Divyansh Steels (IEC/PAN: AMJPC1767H),
39, Satsang Industrial Estate, Odhav Road,
Behind Mahadev Complex, Odhav, Ahmedabad, Gujarat-382415

Copy to:

1. The Additional Commissioner (SIIB), Customs House, Mundra
2. The Dy./Asstt. Commissioner (RRA/TRC), Customs House, Mundra
3. The Dy./Asstt. Commissioner (EDI), Customs House, Mundra