

प्रधान आयुक्त का कार्यालय,सीमा शुल्क, अहमदाबाद

"सीमाशुल्क भवन", पहली मंजिल, पुराने हाईकोर्ट के सामने, नवरंगपुरा, अहमदाबाद – 380 009
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DIN: 20261171MN0000F1A88A

PREAMBLE

A	फ़ाइल संख्या/ File No.	:	**GEN/INV/OTH/167/2026-ICD-VRNM-CUS-COMMRTE-AHMEDABAD**
B	कारण बताओ नोटिस संख्या–तारीख /Show Cause Notice No. and Date	:	F.No. GEN/INV/OTH/167/2026-ICD-VRNM-CUS-COMMRTE-AHMEDABAD dated 07.05.2026
C	मूल आदेश संख्या/ Order-In-Original No.	:	**106/ADC/SS/O&A/HQ/2026-27**
D	आदेश तिथि/ Date of Order-In-Original	:	**03.11.2026**
E	जारी करनेकी तारीख/ Date of Issue	:	**03.11.2026**
F	द्वारापारित/ Passed By	:	**S. Sathianarayanan** Additional Commissioner, Customs Ahmedabad
G	आयातक का नाम औरपता / Name and Address of Importer / Passenger	:	1. M/s A D Trading Company (IEC: KJHPS0337C), Office No 9 Second Floor, 578, Dhyan Avenue, NR Ayachi Marg, Surya Tower Shopping, Lilashah Nagar, Gandhidham, Kachchh, Gujarat, 370201 (email id : adtradingcompany2025@gmail.com) 2. Shri Deepak Manuja, D-06, Plot No. 285, Subhash Nagar, Ward-8A, Gandhidham, Adipur, Kutch-370205 (Email: globaltradeconultancy2021@gmail.com)
	यह प्रति उन व्यक्तियों के उपयोग के लिए निःशुल्क प्रदान की जाती है जिन्हे यह जारी की गयी है।		
(2)	कोई भी व्यक्ति इस आदेश से स्वयं को असंतुष्ट पाता है तो वह इस आदेश के विरुद्ध अपील इस		

	आदेश की प्राप्ति की तारीख के 60 दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क(अपील), चौथी मंज़िल, हुडको भवन, ईश्वर भुवन मार्ग, नवरंगपुरा, अहमदाबाद में कर सकता है।
(3)	अपील के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए और इसके साथ होना चाहिए:
(i)	अपील की एक प्रति और;
(ii)	इस प्रति या इस आदेश की कोई प्रति के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए।
(4)	इस आदेश के विरुद्ध अपील करने इच्छुक व्यक्ति को 7.5 % (अधिकतम 10 करोड़) शुल्क अदा करना होगा जहां शुल्क या ड्यूटी और जुर्माना विवाद में है या जुर्माना जहां इस तरह की दंड विवाद में है और अपील के साथ इस तरह के भुगतान का प्रमाण पेश करने में असफल रहने पर सीमा शुल्क अधिनियम, 1962 की धारा 129 के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।

BRIEF FACTS OF THE CASE:

1. M/s A D TRADING COMPANY (IEC: KJHPS0337C), Office No 9 Second Floor, 578, Dhyan Avenue, NR Ayachi Marg, Surya Tower Shopping, Lilashah Nagar, Gandhidham, Kachchh, Gujarat, 370201, (hereinafter referred to as "Importer"), has imported goods declared as "Alloy Steel Seamless Pipes Grade ASTM A335 P11 (CTH-7304 5930)" under Bill of Entry No. 5594364 dated 09.11.2025 at ICD Varnama.

2. Specific intelligence gathered by the officers of Directorate of Revenue Intelligence (DRI), indicated that M/s A D Trading Company had imported "Seamless Stainless-Steel pipes and Tubes" through ICD Varnama(INVRM6) Port by mis-classifying them under CTH 7304 5930 (Other, circular cross section, of alloy steel which covers pipes of outer diameter of above 219.1 mm) while the goods are made of stainless steel attracting Anti-Dumping Duty, imposed vide Notification No.31/2022 Customs(ADD) dated 20.12.2022 read with Notification No.06/2023 dated 09.06.2023 (hereinafter referred to as "the ADD notification"). The details of the said Consignment are mentioned in below Table:

Table-1

Sr. No.	Bills of Entry no. and date	Bill of Lading	Container no.	Declared goods/CTH	Assessable Value (Rs)	Declared Duty (Rs)
01	5594364 dated	EMIVCHNNIN024665 dated 24.10.2025	ESDU7070700	Alloy Steel	52,86,845/-	13,63,372/-

	09.11.2025 **(RUD NO 1 of SCN)**	**(RUD NO 2 of SCN)**		Seamless Pipes Grade ASTM A335 P11(CTH-7304 5930)		

3. Examination:

Acting upon the intelligence, above import consignment was put on hold and examination of the goods was conducted under Panchnama dated 15.11.2025 drawn at ICD Varnama, Container Corporation of India Ltd., Gati Shakti Multi modal Cargo Terminal Village Varnama, Itola, Padra road, Vadodara, Gujarat-391243 by DRI Officers as per details mentioned below:

Table-2

Sr. No.	Bills of Entry no. and date	Container no.	Declared goods	Goods found during examination	Panchnama dated
01	5594364 dated 09.11.2025	ESDU7070700	Alloy Steel Seamless Pipes Grade ASTM A335 P11(CTH-7304 5930)	SS-304/301 grade	15.11.2025 **(RUD NO 3 of SCN)**

Further, during examination readings were taken of various pipes and tubes by handheld XRF Analyzer/ Metal Gun and based on readings, it appeared that the goods are of SS-304/301 grade.

4. Test Reports:

During the examination of the goods, 366 pieces of pipes of different outer diameters and lengths wrapped in 24 bundles were found in the consignment covered under Bill of Entry No. 5594364 dated 09.11.2025. 05 Representative samples from the imported goods were further drawn during examination under Panchnama dated 15.11.2025. The said representative samples were sent to the CRCL Delhi, vide letter dated 26.11.2025 **(RUD NO 4 of SCN)** for necessary testing thereof under Test Memo No. 821/2025, 822/2025, 823/2025 and 824/2025 and 825 (total-05). In response, the CRCL, Delhi provided the Test Reports **(RUD NO 5 of SCN)** as under;

Table-3

Sr. No.	Container No.	Sample marked as & Test Memo No.	Test Report No.	Actual description of goods
1	ESDU7070700	S1A1 & 821/2025	CRCL/7 3/1148(DRI)	*The sample is in the form of a cut piece of seamless metallic pipe. It is composed of Stainless Steel(Nonmagnetic). Outer Diameter- 8 cm* *Inner diameter-6 cm*
		S2A1 & 822/2025	CRCL/73/1149(DRI)	*The sample is in the form of a cut piece of seamless metallic pipe. It is composed of Stainless Steel (Nonmagnetic). Outer Diameter- 21 mm cm* *Inner diameter-7 mm*
		S3A1 & 823/2025	CRCL/73/1150(DRI)	*The sample is in the form of a cut piece of grayish colored hollow round metallic pipe composed of Stainless Steel (Non-Magnetic)* *Outer Diameter- 6.9 cm* *Thickness-1.1 cm; the samples u/r appears to be seamless pipe by physical appearance.*
		S4A1 & 824/2025	CRCL/73/1151(DRI	*The sample is in the form of a cut piece of grayish colored hollow round metallic pipe composed of Stainless*

				Steel(Non-Magnetic) *Outer Diameter- 12.7 cm* *Thickness-1.7 cm; the samples u/r appears to be seamless pipe by physical appearance.*
		S5A1 & 825/2025	CRCL/73/1150(DRI)	*The sample is in the form of a cut piece of seamless metallic pipe. It is composed of Stainless Steel (Non magnetic). Outer Diameter-33 mm* *Inner diameter-14 mm*

5. Classification:

5.1 The test reports received from the CRCL Delhi have been examined with respect to the declaration made by the importer in the import documents. During examination of the goods stored in container no. ESDU7070700, five different kinds of pipes were found based on physical appearance. Therefore, five representative samples were drawn from the said container and sent to CRCL Lab for testing. The test reports of the import consignment in respect of all Samples i.e.S1A1, S2A1,S3A1,S4A1 & S5A1 indicated that the goods pertaining to the subject category in import consignment were in the form of in the form of a cut piece of seamless metallic pipe composed of Stainless Steel (Non-magnetic) of different diameter and thickness whereas the importer has declared the goods as "Alloy Steel Seamless Pipes Grade ASTM A335 P11". The goods were classified by the importer in the said BE in CTH 7304 5930. Customs Tariff Heading CTH 7304 pertains to 'Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel' .

Heading 7304 includes the following relevant sub-headings at the single dash (-) level:

(i) Line pipe of a kind used for oil and gas pipelines;
(ii) Casing, tubing and drill pipe, of a kind used in drilling for oil or gas;
(iii) Other, of circular cross section, of iron on non-alloy steel
(iv) Other, of circular cross section of stainless steel
(v) Other, of circular cross section of alloy steel

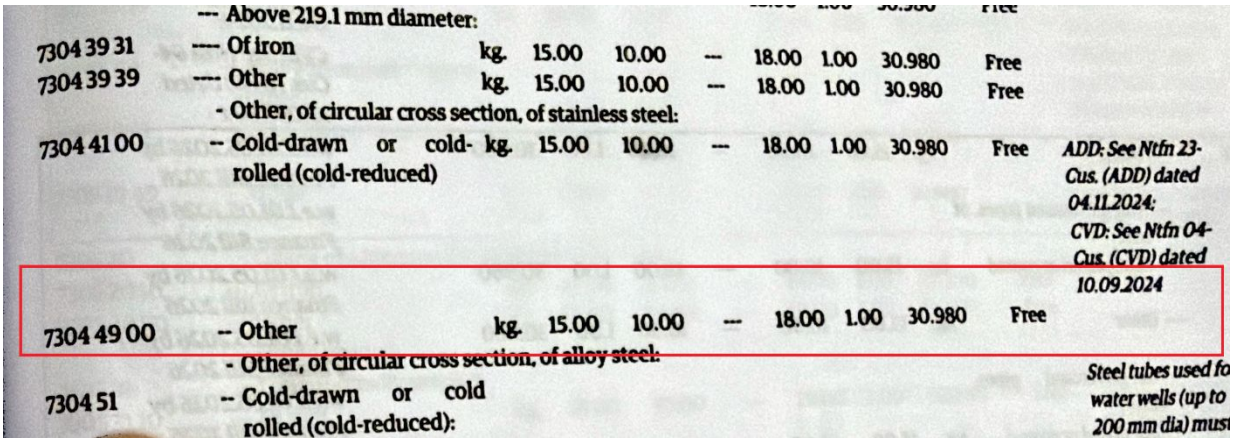
Sub-headings (i) to (iii) and (v) are ruled out, as their composition/specifications do not align with the test results. The laboratory test report received specifically mentioned that

the imported goods are seamless metallic pipe composed of Stainless Steel. Therefore, the goods merit classification falls under sub-heading (iv).
Under this sub-heading, the relevant Tariff items at the double dash (--) level are:

(i) Cold drawn or cold rolled (cold reduced);
(ii) Other.

The sub-heading (i) (Cold drawn or cold rolled (cold reduced)) is ruled out based on the test results as it does not specify whether the pipes are cold rolled or otherwise. Therefore, the appropriate sub-heading appears is (ii): "Other"
Hence, the goods in the import consignment appear rightly classifiable under CTH 7304 4900. The applicable rate of duty is 10% (BCD) + 10% (SWS) + 18% (IGST).

The relevant tariff items under the heading 7304 are reproduced below for ready reference:



	--- Above 219.1 mm diameter:									
7304 39 31	---- Of iron	kg.	15.00	10.00	---	18.00	1.00	30.980	Free	
7304 39 39	---- Other	kg.	15.00	10.00	---	18.00	1.00	30.980	Free	
	- Other, of circular cross section, of stainless steel:									
7304 41 00	-- Cold-drawn or cold-rolled (cold-reduced)	kg.	15.00	10.00	---	18.00	1.00	30.980	Free	ADD: See Ntfn 23-Cus. (ADD) dated 04.11.2024; CVD: See Ntfn 04-Cus. (CVD) dated 10.09.2024
7304 49 00	-- Other	kg.	15.00	10.00	---	18.00	1.00	30.980	Free	
	- Other, of circular cross section, of alloy steel:									
7304 51	-- Cold-drawn or cold rolled (cold-reduced):									Steel tubes used fo water wells (up to 200 mm dia) mus

Therefore, based on the lab test reports the goods are found as 'seamless metallic pipe composed of Stainless Steel'. Hence, it appeared that, the imported goods do not qualify to be classified under CTH 7304 5930 which includes "Other, of circular cross section, of alloy steel".

5.2 Based on the tariff entries, seamless circular cross section of stainless steel pipes is rightly classifiable under CTI 7304 4900 whereas seamless circular cross section of alloy steel other than of stainless steel are rightly classifiable under CTSH 7304 51/59. 'Stainless Steel' is defined in Note 1(e) of Chapter 72 as *"Alloy steels containing, by weight, 1.2% or less of carbon and 10.5% or more of chromium, with or without other elements"*.

6. Anti-dumping Duty levy:

The text of the Notification No. 31/2022-Customs (ADD) dated 20.12.2022 is reproduced below for reference:

"*Whereas in the matter of 'Stainless-Steel Seamless Tubes and Pipes' (hereinafter referred to as the subject goods) falling under chapter heading 7304 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in, or exported*

from China PR(hereinafter referred to as the subject country), and imported into India, the designated authority in its final findings, vide notification No.6/13/2021-DGTR, dated the 23rd September, 2022, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 23rd September, 2022, read with corrigendum notification No. of even number, dated 30th September, 2022,has come to the conclusion that –

(i) the subject goods have been exported to India from the subject countries below normal values;

(ii) the domestic industry has suffered material injury on account of subject imports from subject countries;

(iii) the material injury has been caused by the dumped imports of subject goods from the subject countries,

and has recommended imposition of anti-dumping duty on the imports of subject goods, originating in, or exported from the subject countries and imported into India, in order to remove injury to the domestic industry. Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act read with rules 18, 20 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under heading of the First Schedule to the Customs Tariff Act as specified in the corresponding entries in column (2), originating in the countries as specified in the corresponding entries in column (4), exported from the countries as specified in the corresponding entries in column (5), produced by the producers as specified in the corresponding entries in column (6), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entries in column (7), in the currency as specified in the corresponding entries in column (9) and as per unit of measurement as specified in the

corresponding entries in column (8), of thesaid Table, namely:-

TABLE

S.N	Heading	Description of subject goods	Country of origin	Country of export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	7304	Stainless-Steel Seamless Tubes and Pipes**	China PR	Any country including China PR	Zhejiang Bangnuo Steel Pipe Co., Ltd.	114	MT	USD
2.	7304	Stainless-Steel Seamless Tubes and Pipes**	China PR	Any country including China PR	Zhejiang HongQuan Stainless Steel Co., Ltd. and Zhejiang Yinlong Stainless Steel Co., Ltd. and Zhejiang Yinlai Steel Tube Co., Ltd.	886	MT	USD
3.	7304	Stainless-Steel Seamless Tubes and Pipes**	China PR	Any country including China PR	Wenzhou Sodo Stainless Steel Manufacturing Co., Ltd.	1,492	MT	USD
4.	7304	Stainless-Steel Seamless Tubes and Pipes**	China PR	Any country including China PR	Zhejiang Huatian Stainless Steel Manufacturing Co., Ltd.	1,005	MT	USD
5.	7304	Stainless-Steel Seamless Tubes and Pipes**	China PR	Any country including China PR	Zhejiang Yi Jia Wang Steel Tube Co., Ltd.	3,191	MT	USD
6.	7304	Stainless-Steel Seamless Tubes and Pipes**	China PR	Any country including China PR	Zhejiang Jiuli Hi-Tech Metals Co., Ltd.	Nil	MT	USD
7.	7304	Stainless-Steel Seamless	China PR	Any country	Huadi Steel Group Co., Ltd.	Nil	MT	USD

S.N	Heading	Description of subject goods	Country of origin	Country of export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Tubes and Pipes**		including China PR				
8.	7304	Stainless-Steel Seamless Tubes and Pipes**	China PR	Any country including China PR	Jiangsu Wujin Stainless Steel Pipe Group Co., Ltd.	Nil	MT	USD
9.	7304	Stainless-Steel Seamless Tubes and Pipes**	China PR	Any country including China PR	Zhejiang Tsingshan Steel Pipe Co., Ltd.	Nil	MT	USD
10.	7304	Stainless-Steel Seamless Tubes and Pipes**	China PR	Any	Any producer other than serial number 1 to 9	3,801	MT	USD
11.	*7304*	Stainless-Steel Seamless Tubes and Pipes**	Any country Other than China PR	China PR	Any	3,801	MT	USD

**** Stainless-Steel Seamless Tubes and Pipes with diameter up to and including 6 NPS, or comparable thereof in other unit of measurement, whether manufactured using hot extrusion process or hot piercing process and whether sold as hot finished or cold finished pipes and tubes, including subject goods imported in the form of defectives, non- prime or secondary grades.***

The said ADD Notification imposes ADD on 'Stainless Steel Seamless Tubes and Pipes with diameter up to and including 6 NPS, or comparable' originating from China at different rates for different producers. Since, the subject item appeared to be of Stainless Steel as per Para 4 above and the producer of the subject goods M/s. Wenzhou Muyuan Pipeline Project and Engineering Co. is not specifically mentioned in the above Notification in Column 6 from Row 1 to Row 9, therefore, it appeared that ADD is leviable @ 3801 USD per MT on the tubes whose diameter is equal or less than 6 NPS (168.3 mm).

During examination proceedings of container no. ESDU7070700 vide Panchnama dated 15.11.2025, an inventory of pipe and tubes found in the said container was prepared which is detailed as below:

Table-4

Sr. No.	Dimension of Tube pipe found in each bundles (Outer diameter*thickness of pipes in mm)	No. of pcs found during examination
1	68*10	10
2	124*13	5
3	80*10	13
4	51*10.5	20
5	21*3.7	58
6	68*10	12
7	51*7	35
8	127*16	6
9	190*20	2
10	76*10	9
11	190*20	2
12	33*9	32
13	120*13	5
14	95*15	11
15	76*10	10
16	105*14	5
17	114*11	5
18	70*15	10
19	105*14	5
20	70*110	11
21	33*9	30
22	127*13	7
23	124*13	5
24	21.3*7	58

	Total	366

The said ADD Notification No. 31/2022-Customs (ADD) dated 20.12.2022 imposes ADD on 'Stainless Steel Seamless Tubes and Pipes with diameter up to and including 6 NPS, or comparable' originating from China at different rates for different producers. Since, the subject item appeared to be of Stainless Steel as per Para 3 above and the producer of the subject goods M/s. Wenzhou Muyuan Pipeline Project and Engineering Co. is not specifically mentioned in the above Notification in Column 6 from Row 1 to Row 9, it appeared that ADD is leviable at 3801 USD per MT on the tubes whose diameter is equal or less than 6 NPS (168.3 mm). However, during examination proceedings, few SS pipes were found to be contained outer diameteris more than 168.3 mm which are mentioned at Sr. No. 09 and 11 of Table-4. Therefore, the ADD will not be imposed on the said quantity of Seamless SS pipes and tubes. Accordingly, the weight of such pipes was recorded under Panchnama dated 20.04.2026 **(RUD NO 6 of SCN)** drawn at ICD Varnama. The weight of such pipes is found as under:

Sr. No.	Dimension of Tube pipe found in each bundles (Outer diameter*thickness of pipes in mm)	No. of pcs found during examination	Total weight of Pipes in KGs
1	190*20	2	1140
2	190*20	2	1130
Total			2270

Further, the weight of said pipes (190*20- total 04 pipes) was measured as 2.270 MT vide Panchnama dated 20.04.2026 drawn at ICD Varnama. Therefore, the total quantity of seamless SS pipes and tubes which are liable for levy of ADD comes out to be **25.73 MT** (28 MT-2.270 MT).

7. Seizure & Searches:

7.1 During investigation, it was noticed that M/s. A D Trading Company has mis-declared the description and classification of the subject goods pertaining to Container no. ESDU7070700 as 'Alloy Steel Seamless Pipes Grade ASTM A335 P11' (CTH-7304 5930). However, after the hold by DRI, the examination of the above said container was carried out and samples were drawn. Further, during examination

readings were taken of various pipes and tubes by handheld XRF Analyzer/ Metal Gun and based on readings, it appeared that the goods are of SS-304/301 grade. Therefore, the goods pertain to above said container were placed under seizure under Section 110 of the Customs Act, 1962 vide Seizure Memo dated 20.11.2025 **(RUD NO 7 od SCN)** with reasonable belief that they are liable for confiscation under Sections 111 of the said Act. The sample test reports as mentioned in Table-3 also suggested that the importer mis declared the description, classification, value etc. of imported goods.

7.2 During the course of investigation, the business premises of M/s A D trading Company- Office No 9 Second Floor, 578, Dhyan Avenue, NR Ayachi Marg, Surya Tower Shopping, Lilashah Nagar, Gandhidham, Kachchh, Gujarat, 370201 and M/s Global Trade Consultancy- D-06, Plot No. 285, Subhash Nagar, Ward-8A, Gandhidham, Adipur, Kutch-370205 were visited, however the same were found to be closed.

Further, the follow up search operations were conducted at the business premises of following premises to recover documents relevant to the current investigation with a view to examining the flow of goods—namely stainless-steel pipes mis declared as alloy steel:

- Shree Sawangiya Metal Industries- Plot No 1320/1322 Steel Market, Kalamboli, Mumbai, Maharashtra-410218 vide Panchnama dated 24.03.2026
- Alloy Pipe Impex- Ground Floor, Shop No. 39, 30/32, vazir Mansion, Maruti Mandir Marg, 5th Kumbhaewada Lane, Kumbharwada, Mumbai, Maharashtra-400004 vide Panchnama dated 25.03.2026

The search proceedings did not result in the discovery of any new evidence, material facts, or incriminating documents that could have a bearing on the investigation.

8. Further, during investigation, statements of following persons were recorded under Section 108 of the Customs Act, 1962, which are briefly discussed herein-below:

8.1 Statement of Shri Abhishek Kumar Sharma, Proprietor of M/s A D Trading Company, Office No 9 Second Floor, 578, Dhyan Avenue, NR Ayachi Marg, Surya Tower Shopping, Lilashah Nagar, Gandhidham, Kachchh, Gujarat, 370201 recorded under Section 108 of the Custom Act, 1962 before Sr. Intelligence Officer, Regional Unit, Gandhidham on 04.02.2026 (RUD NO 8 of SCN) wherein he inter-alia stated that:

(i) On being asked, he stated that M/s A D Trading Company obtained its Importer Exporter Code (IEC) on 24.12.2024 and commenced import activities from January 2025. The firm has been engaged in the import of alloy steel goods from China.

(ii) that his role and responsibilities were limited in nature. He primarily forwarded import-related documents received through courier from China to Shri Sachin of M/s DHE Shipping Services, acting as the Customs House Agent, for filing import documents and to the concerned banks. Occasionally, he visited the bank for deposit and withdrawal of funds and discussions relating to foreign exchange rates. Apart from this, he maintained the firm's records and documents.

(iii) On being asked regarding procurement of goods, he stated that, he neither had any contact with overseas suppliers nor placed any purchase orders. He further stated that he did not possess any emails, WhatsApp messages, or other correspondence evidencing placement of orders. All such activities were carried out by Shri Deepak Manuja, proprietor of M/s Global Trade Consultancy, who handled purchase orders from China. The proprietor also stated that he was not aware of the subsequent domestic buyers to whom the goods were sold. It was stated that all commercial negotiations, including price, quantity, specifications, and delivery terms, were undertaken by Shri Deepak Manuja. Further, foreign remittances and finalization of payment terms were also managed by Shri Deepak Manuja.

(iv) On being asked regarding classification of imported goods, he stated that the same was determined by Shri Deepak Manuja at the time of filing the Bill of Entry, and he was unaware of the basis for such classification. He also expressed lack of knowledge regarding the end-use and applications of the imported Alloy Steel Seamless Pipes.

(v) In relation to domestic sales, he stated that all imported goods were supplied to M/s Global Trade Consultancy. He had no knowledge of further sales except that the goods were reportedly supplied to traders based in Mumbai. He confirmed that he had not undertaken any marketing or advertising activities. He also stated that funds were received on two occasions from M/s Alloy Pipe Impex and M/s Jindut Steel, but he was unaware of the corresponding invoices or underlying transactions.

(vi) He confirmed that there were no written contracts, purchase orders, or agreements with domestic buyers, except for dealings with M/s Global Trade Consultancy. Regarding specifications and categorization of imported goods, he stated that these were determined by Shri Deepak Manuja. As regards logistics, he stated that transportation arrangements were made either by himself or by Shri Deepak Manuja, and that he generally engaged Shri Sureshbhai of M/s Fateh Logistics, Gandhidham for such services. The proprietor stated that he did not possess details of all imports carried out in the name of the firm, as these matters were handled by Shri Deepak Manuja.

(vii) It was further stated that Shri Deepak Manuja was the key operator of the firm. He explained that prior to forming the firm, he was engaged in stock trading and required funds. Upon advice from Shri Deepak Manuja, he obtained an IEC and allowed import activities to be conducted in the name of his firm to generate turnover and facilitate future bank loans. There was no formal agreement in this regard, though he had received financial assistance of approximately ₹2–3 lakhs from Shri Deepak Manuja.

(viii) Upon being shown the Panchnama dated 15.11.2025, he acknowledged having perused and signed the same, and admitted that the goods imported under Bill of Entry No. 5594364 dated 09.11.2025 were of SS-304/301 grade. Similarly, upon perusal of CRCL test reports dated 26.11.2025, he admitted that the goods were Stainless Steel Seamless Pipes and not Alloy Steel Seamless Pipes as declared. After examining the Chapter Notes of Chapter 72 and the chemical composition in the test reports, he agreed that the goods fell under the category of stainless steel.

(ix) Upon perusal of Anti-Dumping Duty Notification No. 31/2022-Customs (ADD) dated 20.12.2022, he agreed that Anti-Dumping Duty at the rate of USD 3801/MT was applicable to the consignment, as most pipes were below 168.3 mm OD. Regarding mis-declaration, he stated that based on the examination and test reports, it appeared that the goods were mis-declared. However, he denied having direct knowledge of the intention or the person responsible.

(x) He further stated that he was willing to pay the applicable customs duty along with anti-dumping duty, interest, and penalty, and requested 10–15 days' time to arrange the funds. At last, he stated that he was unaware that Stainless Steel Seamless Pipes were being imported using the IEC of M/s A D Trading Company and claimed innocence, adding that he had nothing further to state in the matter.

8.2 Statement of Shri Deepak Manuja, Proprietor of M/s Global Trade Cosultancy, Ground Floor, Plot No 110 Shop No 25, Manali Tower Complex, Sector No 08, Gandhidham, Kachchh, Gujarat, 370201 recorded under Section 108 of the Custom Act, 1962 before Sr. Intelligence Officer, Regional Unit, Gandhidham on 09.02.2026 (RUD NO 9 of SCN) wherein he inter-alia stated that:

(i) M/s Global Trade Consultancy obtained GST registration on 03.04.2021 and commenced its business activities from April 2025. Initially, the registration was obtained for customs clearing and consultancy purposes; however, he subsequently engaged in retail trading activities. An additional place of business at LS No. 90, Padana, Gandhidham was also there however at present it is closed. The firm primarily deals in Alloy Steel, Decorative Sheets, etc., with major suppliers including M/s Rishabh Enterprise, Gandhidham; M/s Avneet Trading Company, Mumbai; and M/s A D Trading Company, Gandhidham, and major buyers including M/s

Jindutt Steel, Mumbai; M/s Alloy Steel Impex; M/s Mukesh Steel; and Shri Swangiya Metal Industries.

(ii) He stated that he is responsible for handling all business-related activities of the firm, including deciding the buyers, suppliers, and the nature of goods to be traded. He has also engaged a part-time accountant for invoice generation and E-way bill compliance.

(iii) He has known Shri Abhishek Sharma, proprietor of M/s A D Trading Company, since 2020. As Shri Abhishek Sharma required funds for stock trading and was unable to obtain bank loans as an individual, he advised him to obtain an IEC and start a firm. It was mutually agreed that imports would be undertaken in the name of M/s A D Trading Company and that the entire imported goods would be purchased by M/s Global Trade Consultancy to generate turnover for facilitating bank finance. In return, Shri Abhishek Sharma was to receive 1–2% of the sale turnover. This arrangement was oral in nature, without any written agreement. He also stated that he did not directly engage in imports due to compliance requirements, policy restrictions, and market uncertainties, and therefore confined himself to domestic trading.

(iv) He admitted that he had contacts with Chinese suppliers and that orders for Alloy Steel were placed through WhatsApp communication. The goods were imported in the name of M/s A D Trading Company and subsequently purchased by his firm for domestic sale.

(v) He stated that he does not possess documentary evidence such as emails or WhatsApp messages evidencing placement of orders, as communications were primarily conducted through WhatsApp calls. He further stated that he was responsible for negotiating all commercial terms such as price, quantity, specifications, and delivery terms with overseas suppliers.

(vi) He stated that foreign remittances were managed by Shri Abhishek Sharma; however, all negotiations with overseas suppliers were finalized by him, based on which payment terms were decided.

(vii) Regarding classification of imported goods, he stated that the same was determined by him at the time of filing the Bill of Entry, based on his limited knowledge of Alloy Steel Seamless Pipes. He expressed lack of knowledge regarding the end-use and applications of the Alloy Steel Seamless Pipes.

(viii) He confirmed that there were no written contracts, purchase orders, or agreements with domestic buyers. With respect to logistics, he stated that transportation arrangements were made either by him or by Shri Abhishek Sharma, and that services of transporters such as M/s A D Roadways and M/s Vishnu Transport were generally availed.

(ix) Upon being shown the Panchnama dated 15.11.2025, he acknowledged having perused and signed the same and admitted that the goods imported under Bill of Entry No. 5594364 dated 09.11.2025 were of SS-304/301 grade. Similarly, upon perusal of CRCL laboratory test reports dated 26.11.2025, he admitted that the goods were Stainless Steel Seamless Pipes and not Alloy Steel Seamless Pipes as declared. After examining the Chapter Notes of Chapter 72 and the chemical composition mentioned in the test reports, he agreed that the imported goods fall under the category of Stainless Steel.

(x) Upon perusal of Anti-Dumping Duty Notification No. 31/2022-Customs (ADD) dated 20.12.2022, the proprietor agreed that Anti-Dumping Duty at the rate of USD 3801/MT is applicable to the consignment, as most of the pipes were found to be below 168.3 mm OD.

(xi) With regard to the issue of mis-declaration, he stated that although it appeared from the examination reports that the goods were mis-declared, he had placed orders only for Alloy Steel Seamless Pipes of various sizes. He further stated that the overseas supplier, namely M/s Wenzhou Muyuan Pipeline Project and Engineering Co., Zhejiang, China, had provided a Mill Test Certificate for Alloy Steel along with the shipping documents. Relying on these documents, the goods were declared accordingly. He explained that the supplier had inadvertently dispatched goods intended for another buyer, and upon discovering the discrepancy, payment to the supplier was withheld and the issue was taken up through a complaint communicated via WhatsApp call.

(xii) He stated that he does not possess any documentary evidence of the complaint raised with the overseas supplier, as the communication was made through WhatsApp calls. He further stated that approximately 7–8 consignments of Alloy Steel had been imported earlier from the same supplier, all of which were cleared.

(xiii) It was further stated that although the goods imported under the said Bill of Entry were found to be Stainless Steel Seamless Pipes attracting Anti-Dumping Duty, he maintained that the mis-declaration occurred due to the fault of the overseas supplier. Nevertheless, he acknowledged liability towards Anti-Dumping Duty and differential customs duty along with applicable interest and penalty, and stated that he would discuss the matter with Shri Abhishek Sharma and revert within 10–15 days.

9. Rejection of declared Value & Redetermination of Assessable value of the goods:

9.1 Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "***the CVR, 2007***") provides the method of valuation. Rule 3(1) of the CVR, 2007 provides that "Subject to Rule 12, the value of

imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10". Rule 3(4) ibid states that "if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007". It appeared that transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Since the goods were found to be misdeclared, a reasonable doubt arises regarding the truth and accuracy of the declared value. Accordingly, the declared transaction value appeared liable to rejection under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

9.2 It appeared that the value of the impugned goods could not be determined under Rule 4 and 5 ibid since the goods have been mis-declared by means of description and the value of contemporaneous imports of identical and similar goods of same quality and composition was not found. Proceeding sequentially, it is stipulated under Rule 6 ibid that where the value is not determinable under Rule 3, 4 and 5, the value is to be determined under Rule 7 or when the value cannot be determined under that Rule, under Rule 8. Rule 7 provides for 'Deductive Value' i.e. the value is to be determined on the basis of valuation of identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions stipulated under the rule. For the reasons detailed above, the values cannot be determined as per the said Rule 7 ibid. Likewise, for application of Rule 8 of the CVR, 2007, the cost of production or processing involved in the imported goods are not available. In the absence of requisite data, the value cannot be determined by taking recourse to these rules either.

9.3 It appeared that since the provisions of Rule 4 to 8 ibid, are not applicable in the instant case, the value of the impugned goods is required to be determined under the provisions of Rule 9 of the CVR 2007, which reads as under:-

*"**Rule 9** : **Residual method** – (1) Subject to the provisions of Rule 3, where the value of the 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:"*

9.4 As per the provisions of Rule 9 ibid, the assessable value of the impugned goods is required to be re-determined under Rule 9 ibid i.e. as per the residual method. Accordingly, the value has been taken on the basis of Chartered Engineer Certificate Ref. No. HAM/2026/15 dated 23.04.2026 **(RUD NO 10 of SCN)** submitted by the Shri Hardik A. Modi Chartered Engineer, for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with Note 2 of the Interpretative Notes for Rule 9 of the CVR, 2007. It appears that the declared assessable value in the Bills of Entry No. 5594364 dated 09.11.2025 is liable to be rejected and assessable value of the impugned goods is to re-determined as per the CE report as under:

Table-5

Sr. No.	Bill of Entry No. & Date	Quantity found during examination	Declared Assessable Value	Re-determined value as per CE Report
1	5594364 dated 09.11.2025	28000 Kgs	52,86,845	66,40,900/-

From the above, it appeared that M/s. A D Trading Company also indulged in the evasion of Customs Duty and Antidumping duty by way of misclassification and undervaluation of import goods. It is noticed that M/s. A D Trading Company while filing Bill of Entry for the subject import consignment declared assessable value as Rs. 52,86,845/-, whereas based on test reports' result of the goods i.e. Seamless Stainless-Steel Pipes and Tubes, the appropriate total assessable value of all these import consignments comes to Rs. 66,40,900/-

10. Applicable Duties on the subject goods imported by M/s. A D Trading Company covered under Bill of Entry No. 5594364 dated 09.11.2025 imported through Container Nos. ESDU7070700: -

10.1 From forgoing paras, it is revealed that the importer intentionally mis-declared the seamless stainless-steel pipes and tubes, as ''Alloy steel seamless pipe" in Bill of Entry No. 5594364 dated 09.11.2025 with deliberate intention of evasion of

applicable Customs duty and Anti-Dumping duty. Further, it was noticed that the importer was also found indulged in gross undervaluation of the said goods. M/s. A D Trading Company had declared total assessable value of all pipes as Rs. 52,86,845/- at the time of filing of Bill of Entry. Total declared Customs duty self-assessed was Rs. 13,63,372/-. However, the goods have been found misclassified and therefore, the duty on the imported goods is required to be re-determined on the basis of applicable rates and appropriate CTHs. Further, the goods found in the container are seamless stainless-steel pipes and tubes that are having outer diameter less than 6 NPS (168.3 mm) to the tune of 2.27 MT. Therefore, the ADD will be leviable only on 25.73 MT not on the whole quantity of goods i.e. 28 MT. Accordingly, the applicable customs duty/ADD on the goods imported under Bill of Entry No. 5594364 dated 09.11.2025 have been calculated as under:

Table-6

Bill of Entry No. & Date	Declared Assessable value of the goods by the importer (in Rs.)	Total duty shown in the B/E (in Rs.)	Re-determined Assessable Value (in Rs.) (Exchange Rate-Rs. 89.5)	CTH as per Test Report	BCD (@10 %)	SWS (@10 %)	ADD @3801 per MT(Exchange Rate-Rs. 89.5) *(applicable on 25.73 MT*)	IGST (@18 %)	Total duty payable (BCD +IGST) (in Rs.)
Bill of Entry No. 5594364 dated 09.11.2025	52,86,845	13,63,372	66,40,900	73044900	6,64,090/-	66,409/-	87,53,076/-	29,02,405/-	1,23,85,980/-

Accordingly, total Customs duty including ADD on the imported goods comes to Rs. 1,23,85,980/- instead of Rs. 13,63,372/- as self-assessed by the importer in the said BE and there appeared non/short levy of Customs duty including ADD amounting to **Rs. 1,10,22,608/-.**

11. 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;*

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:-

-- The following goods brought from a place outside India shall be liable to confiscation: -

(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 the 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. ……..

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:*

Section 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 of the CVR, 2007, stipulates that:-

(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 of the CVR, 2007, stipulates that:-

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 of the CVR, 2007, stipulates that:-

(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.*

12. FINDINGS OF THE INVESTIGATION

12.1 M/s. A D Trading Company declared the description of the goods under Bill of Entry No. 5594364 dated 09.11.2025 as *"Alloy Steel Seamless Pipes Grade ASTM A335 P11"* classifiable under CTH 7304 5930. However, investigation has revealed that the goods imported were Seamless Stainless-Steel Pipes and Tubes. During examination of the consignment and as confirmed by the CRCL test reports, it was found that 28 MT of stainless-steel seamless pipes were imported vide above said bill of entry. Thus, it appeared that the import consignment covered under the aforesaid Bill of Entry was mis-declared in respect of description, classification, and value, rendering the goods liable for confiscation under the provisions of Section 111(m) of the Customs Act, 1962.

12.2 Further, investigation conducted by the Directorate of Revenue Intelligence, Gandhidham Regional Unit, revealed that M/s. A D Trading Company imported the said goods from M/s. Wenzhou Muyuan Pipeline Project and Engineering Co., China, through ICD Varnama, by misclassifying them under CTH 7304 5930, which pertains to *alloy steel pipes of circular cross-section having outer diameter above 219.1 mm*.

However, examination carried out under Panchnama proceedings revealed that the consignment comprised 366 stainless steel pipes of varying outer diameters packed in 24 bundles. Further, based on the test reports received from CRCL, Delhi, the goods are correctly classifiable under CTH 7304 4900, which covers *other tubes, pipes and hollow profiles of circular cross-section, of stainless steel*. It is therefore evident that the importer mis-declared the description and classification of the imported goods with the intent to evade applicable Anti-Dumping Duty (ADD) leviable under Notification No. 31/2022-Customs (ADD) dated 20.12.2022. Accordingly, the importer attempted to clear the goods without payment of the applicable ADD, in contravention of the provisions of the Customs Act, 1962.

12.3 Further, it appeared that the importer has undervalued the imported goods by declaring the assessable value as Rs. 52,86,845/-; and whereas there exists reasonable doubt regarding the truth and accuracy of the declared values in view of the mis-declaration of description and classification of the imported goods; the declared transaction value is liable to be rejected in terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007; and proceeding sequentially under Rules 4 and 9 of the said Valuation Rules, the assessable value has been re-determined on the basis of Rule 9 i.e. Residual Method based on the Govt. approved Valuer's valuation Report dated 23.04.2026. The re-determined assessable value of the said consignment comes to Rs. 66,40,900/- as against the declared value of Rs. 52,86,845/-; and whereas the importer had self-assessed total customs duty of Rs. 13,63,372/-. whereas the duty correctly leviable on the said goods, after re-classification and re-determination of value, amounts to Rs. 1,23,85,980/-. The same has resulted into non-levy/short-levy of customs duty to the tune of Rs. 1,10,22,608/- It further appeared that the said mis-declaration of description, classification, quantity and value was deliberate and with the intention to evade payment of lawful customs duty and ADD.

12.4 It appeared from the statements recorded under Section 108 of the Customs Act, 1962 that Shri Abhishek Sharma, Proprietor of M/s. A D Trading Company, in his statement dated 04.02.2026, admitted that he had allowed his Import Export Code (IEC) to be utilized by Shri Deepak Manuja, Proprietor of M/s. Global Trade Consultancy, for importing stainless steel seamless pipes. Shri Abhishek Sharma further admitted that Shri Deepak Manuja was managing and controlling all operational and financial aspects of M/s. A D Trading Company, including liaison with overseas suppliers, placement of orders, operation of bank accounts, GST compliance, and determination of classification of imported goods, and that he himself had no knowledge of the customs tariff classification or the nature of the goods imported.

12.5 Further, Shri Deepak Manuja, in his statement dated 09.02.2026, admitted that he alone had decided the classification (CTH) of the imported goods at the time of

filing the Bills of Entry and acknowledged that the goods were wrongly classified under CTH 7304 5930. He also perused and accepted the test reports issued by CRCL, Delhi, which established that the goods were composed of stainless steel and materially differed from the description declared in the import documents. Shri Deepak Manuja further stated that although alloy steel pipes were allegedly ordered, the overseas supplier had supplied stainless steel pipes; however, no complaint or correspondence was made with the supplier in this regard.

It is further observed that the contention of Shri Deepak Manuja that the overseas supplier had dispatched incorrect goods is not supported by any documentary evidence. No correspondence or records have been produced to establish that any grievance was raised with the supplier upon receipt of the allegedly incorrect goods. Therefore, such a claim appeared to be an afterthought and does not absolve either the importer or Shri Deepak Manuja from their responsibility of correctly declaring the goods. Moreover, the misclassification adopted by them facilitated evasion of applicable Anti-Dumping Duty on goods imported from China. It appeared that M/s. A D Trading Company, being the importer on record, was under a statutory obligation in terms of Sections 46(4) and 46(4A) of the Customs Act, 1962 to ensure the truthfulness, accuracy, and completeness of the particulars declared in the Bills of Entry, as well as the authenticity and validity of the supporting documents, and to comply with all applicable laws and regulations. However, it appeared from the facts of the case, statements of the concerned persons, and the applicable legal provisions that the impugned goods are correctly classifiable under CTH 7304 4900, instead of CTH 7304 5930 as declared by the importer. It is also evident that the importer has failed to discharge the applicable Anti-Dumping Duty and has not complied with the conditions of restrictions imposed on the import of stainless steel pipes and tubes. Thus, M/s. A D Trading Company, by way of acts of omission and commission, has rendered the imported goods liable to confiscation under the provisions of Sections 111(d) of the Customs Act, 1962.

13. Role and culpability on the importer/person/firm involved:-

13.1. <u>Role of M/s A D Trading Company , Office No 9 Second Floor, 578, Dhyan Avenue, NR Ayachi Marg, Surya Tower Shopping, Lilashah Nagar, Gandhidham, Kachchh, Gujarat, 370201:</u>

As discussed in the foregoing paras, M/s A D Trading Company is a proprietorship firm owned by Shri Abhishek Sharma. The firm is found to be involved in the clearance of Seamless stainless-steel pipes and tubes through misdeclaration of description, classification and value. The consignments imported vide the impugned Bill of Entry were mis-declared as "Alloy steel pipes" to evade the ADD and also found to be undervalued to evade the duty liabilities.

Shri Abhishek Sharma, as the sole proprietor of M/s A D Trading Company, is the person legally responsible for all import activities undertaken in the name of the firm. The investigation establishes that he played a direct, conscious, and facilitative role in the misdeclaration, undervaluation, and attempted clearance of seamless stainless steel pipes and tubes imported under the cover of "Alloy steel pipes." Import-related documents such as invoices, packing lists, Bills of Lading, and Bills of Entry checklists were received through courier at his registered address. He has admitted that he personally forward the import-related documents received through courier from China to Shri Sachin of M/s DHE Shipping Services, who is the Customs House Agent (CHA), for filing of import documents, and to the concerned banks.

Shri Abhishek Sharma stated that he permitted the use his IEC by Shri Deepak Manuja in exchange for financial assistance and till date he has received Rs. 2-3 Lakhs from Shri Deepak Manuja, without any written agreement. By allowing the use of his IEC and approving import documents without verifying the true nature of the goods, Shri Abhsihek Sharma enabled the misuse of the IEC for the import of misdeclared goods. His conduct amounts to conscious facilitation and abetment. As the proprietor and importer under the law, he had the statutory obligation to ensure accuracy of declarations, authenticity of documents, and compliance with BIS regulations.

As per the provisions of Section 46 of the Customs Act, 1962, an importer is required to furnish the correct and true information/documents to the proper officer, however, in the present case the importer failed to furnish the correct and true information/documents to the proper officer of Customs. These acts of omission and commission resulted in the improper importation of 28 MT of Seamless stainless steel pipes and tubes, thereby rendering goods liable to confiscation under Sections 111(m) of the Customs Act, 1962. By the aforementioned acts, M/s A D Trading Company has become liable to penalty under **Sections 112 (a) and (b) of the Customs Act, 1962.**

It is clear from the forgoing paras that Shri Abhishek Sharma, Proprietor of M/s. A D Trading Company has submitted documents to the Customs broker which were not containing correct and true declaration of the subject goods. He provided the incorrect details/documents to the Customs authorities for import, warehousing and clearance of the subject offending goods. He also forwarded incorrect documents for filing of import documents for this consignment with false declarations. He knowingly and intentionally made/signed/used and/or caused to be made/signed/used the import documents and other related documents which were false or incorrect in material particular such as description, classification, value etc.,

with mala-fide intention, and it appeared that M/s. A D Trading Company is also liable to penalty under **Section 114AA of the Customs Act, 1962**.

13.2 <u>Role of Shri Deepak Manuja, proprietor of M/s Global Trade Consultancy:</u>

The investigation has revealed that Shri Deepak Manuja played a central role in the improper importation of 28 MT of Seamless Stainless Steel Pipes and Tubes, which were misdeclared as "Alloy Steel Pipes" under Bill of Entry No. 5594364 dated 09.11.2025. He orchestrated the import scheme by using M/s A D Trading Company as a front entity to conceal his identity as the ultimate beneficiary of the goods. Shri Abhishek Sharma, proprietor of M/s A D Trading Company, explicitly stated that there existed an oral agreement between him and Shri Deepak Manuja, whereby all imports would be undertaken using the Import-Export Code (IEC) of M/s A D Trading Company, and the entire imported goods would be purchased by M/s Global Trade Consultancy. He further confirmed that the present consignment belonged to M/s Global Trade Consultancy.

The investigation has further established that Shri Deepak Manuja played a pivotal and operationally significant role in the import transactions carried out in the name of M/s A D Trading Company. Although he was not the proprietor of the said firm, he exercised effective control over procurement, documentation flow, and coordination of the import consignments under investigation.

In his statement, Shri Deepak Manuja stated that he did not directly engage in imports due to compliance requirements, policy restrictions, and market uncertainties, and therefore confined himself to domestic trading. He further admitted that it was mutually agreed that imports would be undertaken in the name of M/s A D Trading Company and that the entire imported goods would be purchased by M/s Global Trade Consultancy to generate turnover for facilitating bank finance. In return, Shri Abhishek Sharma was to receive a commission of 1–2% of the sale turnover. This arrangement was purely oral in nature and not supported by any written agreement.

The investigation also brings out clear evidence of collusion between Shri Deepak Manuja and Shri Abhishek Sharma. Shri Abhishek Sharma confirmed that he had no contact with overseas suppliers and had not placed any purchase orders. He further stated that he did not possess any emails, WhatsApp messages, or any other correspondence evidencing placement of orders. All such activities were carried out by Shri Deepak Manuja, who handled the placement of purchase orders with suppliers in China. Shri Abhishek Sharma also stated that he was unaware of the ultimate domestic buyers of the imported goods.

It is further revealed that all commercial negotiations, including price, quantity, specifications, and delivery terms, were undertaken by Shri Deepak Manuja. He also managed foreign remittances and finalized payment terms, thereby demonstrating his direct and complete involvement in the import transactions. Shri Deepak Manuja, in his statement, admitted that he had advised Shri Abhishek Sharma to obtain an IEC and establish the firm for the purpose of routing imports under this arrangement.

On perusal of the test reports of the present consignment, Shri Deepak Manuja stated that although the reports indicated misdeclaration, he had placed orders only for Alloy Steel Seamless Pipes of various sizes. He further stated that the overseas supplier, M/s Wenzhou Muyuan Pipeline Project and Engineering Co., Zhejiang, China, had provided a Mill Test Certificate indicating Alloy Steel along with the shipping documents, and that the goods were declared on the basis of these documents. He claimed that the supplier had inadvertently dispatched goods meant for another buyer and that upon discovering the discrepancy, payment was withheld and the issue was taken up through a complaint communicated via WhatsApp call.

However, Shri Deepak Manuja failed to produce any documentary evidence to substantiate the alleged complaint made to the overseas supplier, stating that the communication was made only through WhatsApp calls. In the absence of any verifiable evidence, his claim that incorrect goods were supplied by the overseas supplier remains unsubstantiated and does not absolve him of his role in the misdeclaration.

In view of the above, the acts of commission and omission on the part of Shri Deepak Manuja clearly establish that he knowingly participated in the misdeclaration of description, classification, and valuation of the imported goods. Therefore, he is liable for penal action under Section 112(a) and Section 112(b) of the Customs Act, 1962. Further, Shri Deepak Manuja knowingly and intentionally made, signed, used, or caused to be made, signed, or used, import documents including invoices and packing lists that were false or incorrect in material particulars, thereby facilitating the illegal import of Seamless Stainless Steel Pipes and Tubes. Accordingly, this also renders him liable for penalty under Section 114AA of the Customs Act, 1962.

14. In view of above, a Show Cause Notice F.No. GEN/INV/OTH/167/2026-ICD-VRNM-CUS-COMMRTE-AHMEDABAD dated 07.05.2026 was issued to M/s. A D Trading Company and Shri Deepak Manuja.

14.1 **Vide this SCN, M/s A D Trading Company ,(Proprietor- Shri Abhishek Sharma), (IEC: KJHPS0337C), Office No 9 Second Floor, 578, Dhyan Avenue, NR Ayachi Marg, Surya Tower Shopping, Lilashah Nagar, Gandhidham, Kachchh, Gujarat, 370201** were called upon to show cause to the Additional/Joint

Commissioner of Customs Ahmedabad, having his office at Customs House Ahmedabad, as to why:

(i) Since the goods are found to be mis-declared during the examination, the declared classification of the goods in the consignment covered under Bill of Entry No- 5594364 dated 09.11.2025 should not be rejected and reclassified under CTH 73044900.

(ii) The declared total assessable value Rs. 52,86,845/- covered under Bill of Entry No. 5594364 dated 09.11.2025 should not be rejected and the same be re-determined as Rs 66,40,900/- under Rule 9 of the Customs Valuation (Determination of value of imported goods) Rules, 2007, as mentioned in foregoing paras;

(iii) The mis-declared goods i.e. 28 MT of stainless-steel seamless pipes having redetermined value of Rs 66,40,900/- covered under Bill of Entry No. 5594364 dated 09.11.2025 should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962

(iv) The Bill of Entry No. 5594364 dated 09.11.2025 should not be re-assessed with applicable rates of duty as per Table-6 above.

(v) Penalty should not be imposed on the importer M/s. A D Trading Company under Section 112(a), Section 112(b) and Section 114AA of the Customs Act, 1962

14.2 Vide this SCN, Shri Deepak Manuja, D-06, Plot No. 285, Subhash Nagar, Ward-8A, Gandhidham, Adipur, Kutch-370205 was called upon to show cause to the Additional/Joint Commissioner of Customs Ahmedabad, having his office at Customs House Ahmedabad, as to why:

(i) Penalty should not be imposed on Shri Deepak Manuja under Section 112(a), Section 112(b) and Section 114AA of the Customs Act, 1962

15. PH and Submissions:

15.1 Reply dated 04.06.2026 from M/s. A D Trading Company

15.1.1 The importer submitted that M/s. A D Trading Company is a relatively new firm (obtained its IEC in December 2024) and had imported the goods on the basis of purchase orders, invoices, mill test certificates, packing lists, and other documents supplied by the overseas supplier, Wenzhou Muyuan Pipeline Project and Engineering Co., China. According to the importer, the supplier inadvertently

shipped stainless steel pipes instead of the ordered alloy steel pipes. The discrepancy allegedly came to light only during Customs examination, and therefore the importer claims there was no deliberate misdeclaration or intention to evade customs duty.

15.1.2 The importer emphasized that he fully cooperated with the investigation. Statements of the proprietor, Abhishek Kumar Sharma, and another individual, Deepak Manuja, were recorded, and all information sought by the department was furnished promptly. The importer argues that the case is a result of a bona fide supplier error rather than any fraudulent act, suppression of facts, smuggling, or intentional evasion of duty. As a first-time importer dealing with technical products, it claims to have relied entirely upon the supplier's documents and representations.

15.1.3 Further, the importer has requested permission to re-export the entire consignment of approximately 28 MT at its own cost and risk instead of clearing the goods for home consumption. It has requested that the re-export be allowed under the relevant provisions of the Customs Act, stating that such a course would avoid litigation, prevent the disputed goods from entering the domestic market, and rectify the supplier's mistake without causing loss of revenue to the Government. The importer has also stated that it will not claim any drawback, refund, or export incentive on such re-export.

15.1.4 The importer has additionally pleaded financial hardship, claiming that the import was financed through borrowings and that continued detention of the goods has resulted in mounting interest liability, container detention charges, warehousing charges, and other expenses. It contends that the imposition of redemption fine, penalties, and other liabilities would cause disproportionate hardship considering the nature of the alleged lapse and has requested that a speaking order be passed without granting a personal hearing.

15.1.5 Regarding the proposed penalties, the importer argues that Sections 112(a), 112(b), and 114AA are not attracted because there was no intentional act, wilful misstatement, conscious knowledge, or deliberate involvement in any misdeclaration. It relies upon the principle that penal provisions should not be invoked in the absence of mens rea and highlights its cooperation during investigation and willingness to re-export the goods. Accordingly, it seeks waiver of confiscation, redemption fine, and penalties.

15.1.6 Further, the importer requested that the proceedings initiated through the Show Cause Notice be dropped; alternatively, it seeks permission to re-export the goods without payment of duty, anti-dumping duty, redemption fine, or penalty. In the further alternative, it requests that any fine or penalty be kept nominal

considering its cooperation, clean conduct, first-time import status, and the alleged bona fide nature of the transaction.

15.2 Reply dated 06.06.2026 from Shri Deepak Manuja

15.2.1 He submitted that the discrepancy arose solely because the overseas supplier inadvertently shipped goods meant for another buyer. Upon learning of the issue, payment to the supplier was withheld and the matter was immediately taken up through communications with the supplier. The noticee argues that there was no knowledge, intention, or participation in any misdeclaration and that the error was entirely attributable to the supplier.

15.2.2 He emphasized that he fully cooperated with the DRI investigation, furnished all documents and information sought, and that searches conducted at his premises did not result in recovery of any incriminating documents or evidence. He submits that the absence of such evidence disproves allegations of fraud, wilful suppression, or mala fide intent.

15.2.3 Relying on the Supreme Court judgment in Hindustan Steel Ltd. v. State of Orissa, the reply argues that penalties should not be imposed in cases of bona fide mistakes or technical breaches and require evidence of deliberate defiance of law or dishonest conduct. It is therefore contended that penalties under Sections 112 and 114AA of the Customs Act are not sustainable in the absence of mens rea.

15.2.4 He further submitted that Section 114AA specifically requires proof that a person knowingly used false or incorrect documents. Since the import documents were issued by the foreign supplier and were relied upon in good faith, the essential ingredients for invoking Section 114AA are stated to be absent. Accordingly, the noticee requests that all proposed penalties be dropped, a lenient view be taken considering his bona fide conduct and cooperation, and that the matter be decided on the basis of written submissions without granting a personal hearing.

15.3 Personal Hearing

15.3.1 Shri Deepak Manuja, Authorised Representative of M/s. A D Trading Company and in his Individual capacity appeared in the personal hearing held on **15.09.2026** in virtual mode and requested to re-export the consignment and submitted that he requested the same before the officials of DRI and ICD Varnama. He also deposed that no payment has been made to the overseas supplier and the supplier is insisting that either he makes the payment or the goods be returned to them. Further, he was asked to submit documents to support his claim, if any.

15.3.2 He further submitted letter dated NIL from the overseas supplier and Bank Account statements, in support of their claim of non-payment to the supplier for instant Commercial Invoice No. HBO10753-1 dated 21.10.2025 vide email dated 16.09.2026.

16. Discussion and Findings

16.1 I have carefully gone through the Show Cause Notice, the submissions made by the noticees in written as well as during the course of the personal hearing and available records of the case. The issues for consideration before me in these proceedings are as under:-

(i) Whether the goods imported vide Bill of Entry No. 5594364 dated 09.11.2025 liable to be re-assessed under Section 17 of Customs Act, 1962 by re-classifying the same under CTH 73044900 instead of the declared CTH 73045930 or not.

(ii) Whether the declared total assessable value Rs. 52,86,845/- covered under Bill of Entry No. 5594364 dated 09.11.2025 liable to be rejected and the same should be re-assessed at Rs 66,40,900/- under Rule 9 of the Customs Valuation (Determination of value of imported goods) Rules, 2007, or not.

(iii) Whether the impugned goods i.e. 28 MT of stainless-steel seamless pipes having re-determined value of Rs 66,40,900/- covered under Bill of Entry No. 5594364 dated 09.11.2025 liable to be confiscation under Section 111(m) of the Customs Act, 1962 or not and Whether permission for re-export of impugned goods may be granted to the importer or not.

(iv) Whether Penalty under Section 112(a), Section 112(b) and Section 114AA of the Customs Act, 1962 should be imposed on M/s. A D Trading Company or not.

(v) Whether Penalty under Section 112(a), Section 112(b) and Section 114AA of the Customs Act, 1962 should be imposed on Shri Deepak Manuja or not.

Whether the goods imported vide Bill of Entry No. 5594364 dated 09.11.2025 liable to be re-assessed under Section 17 of Customs Act, 1962 by re-classifying the same under CTH 73044900 instead of the declared CTH 73045930 or not.

16.2 I have carefully considered the facts of the case, the Show Cause Notice, the Panchnamas dated 15.11.2025 & 20.04.2026, CRCL Reports i.e. CRCL/73/1148(DRI), CRCL/73/1149(DRI),CRCL/73/1150(DRI), CRCL/73/1151(DRI) & CRCL/73/1150(DRI), the statements of the importer(dated 04.02.2026) and Shri Deepak Manuja (dated 09.02.2026) recorded under Section 108 of the Customs Act, 1962, the documentary evidence placed on record and the submissions made by the importer. I find that during the examination of Container No. ESDU7070700, five different type of pipes were found based on physical appearance. Accordingly, five samples were drawn from the said container and sent to CRCL Lab for testing. The test reports of the all samples indicated that the goods were in the form of a cut pieces of seamless metallic pipe composed of Stainless Steel(Non-magnetic) of different diameters and thickness i.e. classifiable under CTH 7304 4900 however the importer has declared the goods as "Ally Steel Seamless Pipes Grade ASTM A335 P11" under CTH 7304 5930. Further, the seamless circular cross section of alloy steel other than of stainless steel are rightly classified under CTH 73045930.

16.4 I further find that the CRCL reports clearly indicated that the imported goods are stainless steel seamless pipes. Further, Shri Abhishek Kumar Sharma, Proprietor of M/s A D Trading Company, and Shri Deepak Manuja, Proprietor of M/s Global Trade Consultancy, in their statements recorded under Section 108 of the Customs Act, 1962, have also accepted the test reports and admitted that the imported goods were stainless steel seamless pipes and not alloy steel seamless pipes.

16.5 I observe that Heading 7304 of the First Schedule to the Customs Tariff Act, 1975 covers "Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel". Within this heading, tariff item 73045930 pertains to "other tubes and pipes, of circular cross-section, of alloy steel". However, Note 1(e) to Chapter 72 defines stainless steel as alloy steel containing by weight 1.2% or less of carbon and 10.5% or more of chromium. Once the goods have been scientifically established as stainless steel pipes, classification under the tariff entries specifically meant for "stainless steel" becomes more appropriate than the residual entries relating to alloy steel. In terms of the General Rules for Interpretation of the Customs Tariff, a specific description is to be preferred over a general description. Therefore, the goods are appropriately classifiable under tariff item 73044900 covering seamless tubes, pipes and hollow profiles of circular cross-section, of stainless steel, "other".

16.6 I further find that the importer had self-assessed the Bill of Entry under Section 17(1) of the Customs Act, 1962 by declaring the goods under CTH 73045930. However, subsequent examination and laboratory testing revealed that such self-assessment was not correct. Section 17(4) of the Customs Act, 1962 specifically empowers the proper officer to re-assess the duty leviable on imported goods where, upon verification, examination or testing, the self-assessment is found to be incorrect. Since the nature and composition of the imported goods has been

conclusively determined through CRCL test reports and corroborated by the statements of the concerned persons, the declared classification cannot be accepted under CTH 73045930 and the same is liable to be revised under CTH 73044900.

16.7 Further, to fortify my above stand for classification of aforesaid goods under CTH 73044900, I rely on the decision of Hon'ble Supreme Court in the case of Reliance Cellulose Products Ltd. v. Commissioner reported in 1997 (93) E.L.T. 646 (S.C.) wherein it has held that "Test report of Chemical Examiner and Chief Chemist of the Government, unless demonstrated to be erroneous, cannot be lightly brushed aside on the basis of opinion of some private persons obtained by assessee".

16.7 Further, I find that Notification No. 31/2022-Customs(ADD) dated 20.12.2022 imposes ADD on 'Stainless Steel Seamless Tubes and pipes with diameter up to and including 6NPS or comparable' originating from China at different rates for different producers. Since, the producer of the subject goods i.e. M/s. Wnzhou Muyuan pipeline Project and Engineering Co., is not specifically mentioned in the said Notification, therefore, ADD is leviable @3801 USD per MT on the tubes whose diameter is equal or less than 6 NPS (168.33 mm).

16.8 In view of the foregoing findings, I hold that the goods imported vide Bill of Entry No. 5594364 dated 09.11.2025 were incorrectly declared and classified under CTH 73045930. The imported goods are correctly classifiable under CTH 73044900 as seamless stainless steel pipes. Accordingly, in exercise of the powers conferred under Section 17(4) of the Customs Act, 1962, I order re-assessment of the said Bill of Entry by re-classifying the goods under Customs Tariff Heading 73044900 in place of the declared Customs Tariff Heading 73045930, with consequential re-determination of the applicable duties and other levies in accordance with law.

Whether the declared total assessable value Rs. 52,86,845/- covered under Bill of Entry No. 5594364 dated 09.11.2025 liable to be rejected and the same should be re-assessed at Rs 66,40,900/- under Rule 9 of the Customs Valuation (Determination of value of imported goods) Rules, 2007, or not.

16.9 As discussed in para 16.2 to 16.8, the goods imported were stainless-steel seamless pipes and not alloy steel seamless pipes as claimed by the importer and liable to classification under CTH 73044900 instead of the declared CTH 73045930. Further, the declaration made in the Bill of Entry was found to be incorrect not only with regard to the description and classification of the goods but also gave rise to reasonable doubt regarding the truth and accuracy of the declared transaction value. Such mis-declaration of description and classification constitutes sufficient ground

for doubting the correctness of the declared value under Rule 12 of the Customs Valuation Rules, 2007.

16.10 I observe that Rule 12 of the Customs Valuation Rules, 2007 provides that where the proper officer has reason to doubt the truth or accuracy of the declared value and such doubt persists after considering the available information, the declared transaction value shall not be accepted under Rule 3. In the present case, since the goods themselves were found to be materially different from those declared by the importer, the foundation on which the declared transaction value was based stood vitiated. Therefore, I hold that the declared assessable value of ₹52,86,845/- is not acceptable and is liable to rejection under Rule 12 of the Customs Valuation Rules, 2007. So, the same is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

16.11 Since the import data extracted with respect to contemporaneous imports was general in nature, and contemporaneous data for imports of identical or similar goods was not available or found, the value could not be determined under Rules 4 and 5 of the CVR, 2007. As per Rule 6 ibid, if the value cannot be determined under Rules 3, 4, and 5, it shall be determined under Rule 7; and if it cannot be determined under Rule 7, then under Rule 8. However, the domestic market lacks sufficient sales data for identical or similar goods with comparable variety, specifications, quality, and dimensions necessary for valuation under Rule 7. Further, substantial data related to the cost or value of materials, fabrication, or other processing employed in producing the imported goods, which is required to compute the value under Rule 8, is also not available. Therefore, the valuation of the impugned goods could not be ascertained under Rules 7 or 8, and hence, the value is to be determined in terms of Rule 9 of the CVR, 2007. Therefore, the value of the subject import consignments is to be determined on the basis of the valuation submitted by the Govt. approved Charted Engineer as per the provision of the Section 14 of the Customs Act, 1962 read with Rule 3 and Rule 9 of the Customs Valuation (Determination of value of the Imported Goods) Rules, 2007. For this purpose, reliance was placed on the Chartered Engineer's Certificate Ref. No. HAM/2026/15 dated 23.04.2026, which assessed the value of the imported stainless-steel seamless pipes at ₹66,40,900/-. As per the valuation report submitted by the Charted Engineer, the value of the subject import consignment, in comparison to the value declared by the importer M/s. A D Trading Company, is as under :

Sr. No.	Bill of Entry No.	Date	Declared/Assessed Value	Re-determined value as per CE Report
01	5594364	09.11.2025	52,86,845/-	66,40,900/-

16.12 Further, to fortify my above stand for re-valuation of aforesaid goods, I rely on the ratio of the following decision:

(a) Hon'ble Tribunal in the case of R.N. Metal (India) Pvt. Limited v. Commissioner — 2019(366) E.L.T. 568 (Tri.- Del.) has held as under:

> "15. It has been emphasised again and again before us on behalf of the appellant that the Pre-inspection Certificate obtained at the load port has certified the goods as scrap. But we are of the view that for purposes of assessment of imported goods, the examination of goods at the port in India is more relevant. Hence, we are inclined to give more credence to the opinion of the experts obtained locally. The three experts commissioned by Customs has unanimously opined that the impugned goods were new 'Grinding Media Balls'. Sh. I.P.S. Arora, Chartered Engineer who has originally given a contrary opinion, has during cross-examination, retracted his original view. In the above scenario, we are of the view that the order passed by the lower authority, who has gone by the majority of the opinions, merits no interference. His views are quoted below with our approval.
>
> "In light of the facts as mentioned above available on records as discussed in point Nos. (A) to (H) above I find that for classifying the goods under above heading there is no pre-condition of fulfilment of condition of specification as per IS standard. As well as in all the report of experts, every expert including National Test House, CRCL, independent expert, chartered engineer have accepted that goods in questions are Grinding Media Balls. As regards whether the imported grinding media balls are new or old one, in my opinion the same can be verified by visual inspection of all the three experts Sh. B.K. Sharma, Sh. P.C. Sanghi and Sh. V.K. Sanghi have opined that the goods imported were Grinding Media Balls. As regards National Test House reports it is provided that goods examined by them are grinding media balls having size as per packing slip and ball diameter within specified value, but not confirming to the IS specification in respect of hardness and chemical composition. Sh. Rakesh Saini, Scientist Incharge of National Test House in his statement has stated that as their test house is not technically equipped to test and make comments in respect of the condition of the Grinding Media Balls samples i.e. whether New or Old forwarded by appellant to their office. In the Customs Tariff Act, [1975], for classification of the goods under Chapter Headings 7325 and 7326, there is no pre-condition of fulfilment of condition of IS specification, end use of the goods, etc. In the panchnama dated 20-11-2013 it is also described that old and used grinding media balls which

cannot be used as Grinding Media Balls already not included in the quality of seized goods. I therefore, uphold the findings of the Adjudicating Authority regarding classification of goods in question.

12. The appellant has declared the goods in their documents submitted to the department at the time of importation classified the same as Alloy Melting Scrap falling under Chapter 7204 29 90 of the Customs Tariff Act, 1975. As discussed in the previous para it is clear that the classification of the goods i.e. Grinding Media Balls 53.240 MT falling under Chapter 7325 of the Customs Tariff Act, 1975 as determined by the department after investigation of the case. Therefore, after investigation, the fact of the misdeclaration of classification of goods in question was detected. **Once, the misdeclaration of classification of goods was sustained, the value declared by the appellant would automatically be required to be redetermined.** Thus, the view taken by the Adjudicating Authority in the matter is correct, accordingly I uphold the same.""

16.13 Accordingly, I hold that the declared assessable value of ₹52,86,845/- in respect of Bill of Entry No. 5594364 dated 09.11.2025 is liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and the assessable value is correctly re-determined at ₹66,40,900/- under Rule 9 of the said Rules. Consequently, the Bill of Entry is liable to be re-assessed on the basis of the re-determined assessable value of ₹66,40,900/- for the purpose of determining the applicable customs duties and other levies in accordance with law.

Whether the impugned goods i.e. 28 MT of stainless-steel seamless pipes having re-determined value of Rs 66,40,900/- covered under Bill of Entry No. 5594364 dated 09.11.2025 liable to be confiscation under Section 111(m) of the Customs Act, 1962 or not and Whether permission for re-export of impugned goods may be granted to the importer or not.

16.14 I find that the imported goods have been found to be mis-declared in respect of their description, classification and value. The declared goods as "Alloy Steel Seamless Pipes" were, in fact, stainless-steel seamless pipes. The declared assessable value was also found liable to rejection and was re-determined at ₹66,40,900/-. Section 111(m) of the Customs Act, 1962 provides that any goods which do not correspond in respect of value or any other particular with the entry made under the Act shall be liable to confiscation. Therefore, the goods do not correspond with the particulars declared in the Bill of Entry and squarely attract the provisions of Section 111(m) of the Customs Act, 1962. Accordingly, **I hold that the impugned goods having re-determined value of ₹66,40,900/- are liable to confiscation under Section 111(m) of the Customs Act, 1962.**

16.15 As regards the request of the importer for re-export of the impugned goods, I have carefully considered the submissions made in the written reply, the submissions made during personal hearing and the documents placed on record. The case before me pertains to misdeclaration of description, classification and assessable value of the imported goods, which resulted in attempted evasion of applicable Customs Duty and Anti-Dumping Duty. I have already held that the goods declared as "Alloy Steel Seamless Pipes Grade ASTM A335 P11" were in fact stainless-steel seamless pipes correctly classifiable under CTH 73044900 and consequently liable to confiscation under Section 111(m) of the Customs Act, 1962.

16.16 I find that the importer has consistently maintained throughout the investigation as well as during adjudication proceedings that the overseas supplier had supplied stainless-steel seamless pipes instead of the alloy steel seamless pipes allegedly ordered by them. I also find that the importer requested re-export of the goods at the earliest available opportunity and has continued to pursue the said request throughout the proceedings. Further, during personal hearing, the noticee specifically submitted that payment in respect of the subject import transaction had not been remitted to the overseas supplier and produced bank account statements as well as a communication from the foreign supplier in support of the claim that the consideration for the goods covered under Commercial Invoice No. HBO10753-1 dated 21.10.2025 had not been paid. The noticee also submitted that the overseas supplier was insisting either upon payment for the goods or their return to the supplier.

16.17 Therefore, considering the facts and circumstances, namely, that the goods are not prohibited goods, the importer has sought re-export from the initial stages of investigation, and payment to the overseas supplier is stated to have not been made. Therefore, as discussed above, while upholding the confiscation of the impugned undeclared restricted goods under Section 111(m) of the Customs Act, 1962, I allow the importer an option to re-export the said goods, on payment of redemption fine.

16.18 Accordingly, while holding the impugned goods liable to confiscation under the relevant provisions of the Customs Act, 1962, I deem it fit to exercise the discretion vested in me under Section 125 of the Customs Act, 1962 and extend to the importer an option to redeem the seized goods on payment of an appropriate redemption fine in lieu of confiscation. Section 125 reads as follows:

> "(1) Whenever confiscation of any goods is authorized 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 or, where such owner is not known, the person from whose

possession or custody such goods have been seized, an option to pay in lieu of confiscation such fine as the said officer thinks fit:"

16.19 With respect to the request of the importer in seeking re-export of the goods which are restricted for import and clearance of the goods for home consumption which are free to import, I find that as he has consistently maintained his stand that the restricted goods were sent by the supplier by mistake and it is not proved otherwise in the investigation report, I find that the said request as acceptable.

Whether Penalty under Section 112(a), Section 112(b) and Section 114AA of the Customs Act, 1962 should be imposed on M/s. A D Trading Company or not.

16.20 I have carefully considered the submissions made by M/s A D Trading Company. The importer has sought to attribute the entire discrepancy to the overseas supplier and has pleaded absence of mens rea. However, I do not find merit in the said contention.

16.21 I find that the importer, being the IEC holder and importer on record, was under a statutory obligation under Sections 46(4) and 46(4A) of the Customs Act, 1962 to ensure correctness of the declaration made in the Bill of Entry and authenticity of the supporting documents. The goods were declared as alloy steel pipes whereas they were found to be stainless-steel seamless pipes attracting substantial ADD liability. Such incorrect declaration directly resulted in attempted evasion of customs duty and anti-dumping duty.

16.22 I further find that the imported goods were rendered liable to confiscation under Section 111(m). Consequently, the importer has rendered itself liable to penalty under Section 112(a) of the Customs Act, 1962. As regards the proposal for penalty under Section 112(b), I find that the said provision is intended to cover a person who acquires possession of, carries, removes, deposits, harbours, keeps, conceals, sells, purchases or otherwise deals with goods which he knows or has reason to believe are liable to confiscation. Thus, the gravamen of the offence is already covered by Section 112(a). No separate or distinct evidence has been brought on record to establish an independent role falling within the scope of Section 112(b), over and above the acts for which the importer is being penalized under Section 112(a). I also find that imposition of simultaneous penalties under Sections 112(a) and 112(b) on the same set of facts, without establishing separate and distinct acts attracting each clause independently, would not be justified. Since the culpability of the importer has already been addressed under Section 112(a), and the evidence on record does not disclose any separate conduct warranting invocation of Section 112(b). **Accordingly, I hold that no separate penalty is imposable upon the noticee under Section 112(b) of the Customs Act, 1962.**

16.23 I find that Section 114AA contemplates penalty only where a person knowingly or intentionally makes, signs, 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 under the Customs Act. Thus, the essential ingredient for invocation of Section 114AA is the existence of conscious knowledge and deliberate use of a false or incorrect document.

16.24 I further find from the statements recorded under Section 108 of the Customs Act, 1962 that the import-related activities of M/s A D Trading Company were substantially handled by Shri Deepak Manuja. Shri Abhishek Kumar Sharma, Proprietor of M/s A D Trading Company, categorically stated that the purchase orders, negotiations with overseas suppliers, determination of classification, and procurement of import documents were handled by Shri Deepak Manuja. It is also on record that the invoices, packing lists, and other import documents received from the overseas supplier were routed through and relied upon by Shri Deepak Manuja for filing the Bill of Entry. Thus, the evidence available on record indicates that the documents accompanying the import consignment were not prepared by M/s A D Trading Company itself but were obtained from the overseas supplier and furnished through Shri Deepak Manuja in the course of the import transaction.

16.25 In these circumstances, although the importer, being the IEC holder and importer on record, cannot escape the consequences arising out of misdeclaration leading to confiscation and penal liability under Section 112 of the Customs Act, 1962, I do not find sufficient evidence to conclude that M/s A D Trading Company knowingly or intentionally made, fabricated, manipulated or caused to be made any false document or declaration with the degree of mens rea required under Section 114AA of the Customs Act, 1962. The investigation has also not brought on record any independent evidence to establish that the importer was aware that the particulars contained in the documents supplied by the overseas supplier and routed through Shri Deepak Manuja were false at the time they were presented before Customs.

16.26 Accordingly, while I hold that M/s A D Trading Company is liable to penalty under Section 112(a) of the Customs Act, 1962 for rendering the goods liable to confiscation under Section 111(m) of the Customs Act, 1962, I find that the essential ingredients of conscious knowledge, deliberate falsification and intentional use of false documents required for invocation of Section 114AA are not established against the importer. Therefore, I refrain from imposing any penalty upon M/s A D Trading Company under Section 114AA of the Customs Act, 1962.

Whether Penalty under Section 112(a), Section 112(b) and Section 114AA of the Customs Act, 1962 should be imposed on Shri Deepak Manuja or not.

16.27 The noticee has contended that the discrepancy arose on account of the overseas supplier having supplied stainless steel pipes in place of the alloy steel pipes ordered by him and that there was neither any intention to evade duty nor any deliberate misdeclaration on his part. I have carefully considered the said contention. However, I do not find merit in the same.

16.28 I find from the statement of Shri Abhishek Kumar Sharma, Proprietor of M/s A D Trading Company, that Shri Deepak Manuja was the person who handled the procurement of goods, negotiated with overseas suppliers, finalized the price, quantity and specifications of the imported goods and determined the classification of the goods at the time of filing of the Bill of Entry. Shri Deepak Manuja himself admitted in his statement dated 09.02.2026 that the classification of the imported goods was determined by him. Thus, his role was not peripheral but central to the import transaction and the filing of the Bill of Entry.

16.29 I further find that the goods imported under Bill of Entry No. 5594364 dated 09.11.2025 were declared as "Alloy Steel Seamless Pipes Grade ASTM A335 P11" under CTH 73045930, whereas examination and CRCL test reports conclusively established that the goods were seamless stainless-steel pipes classifiable under CTH 73044900. The said findings have also been accepted by Shri Deepak Manuja in his statement recorded under Section 108 of the Customs Act, 1962. Consequently, the goods have been held liable to confiscation under Section 111(m) of the Customs Act, 1962.

16.30 I find that by determining the classification of the imported goods, arranging procurement of the goods, coordinating import documentation and actively participating in the import transaction, Shri Deepak Manuja was directly concerned with the acts and omissions which rendered the imported goods liable to confiscation under Section 111(m) of the Customs Act, 1962. Therefore, the ingredients of Section 112(a) of the Customs Act, 1962 stand satisfied. **Accordingly, I hold that Shri Deepak Manuja has rendered himself liable to penalty under Section 112(a) of the Customs Act, 1962.**

16.31 As regards the proposal for penalty under Section 112(b) of the Customs Act, 1962, I find that the said provision applies to a person who acquires possession of, carries, removes, deposits, harbours, keeps, conceals, sells, purchases or otherwise deals with goods which he knows or has reason to believe are liable to confiscation. In the present case, the evidence primarily establishes the role of Shri Deepak Manuja in arranging and facilitating the import transaction and determination of classification. However, no independent evidence has been brought on record to establish that he acquired possession of, carried, concealed, sold, purchased or otherwise dealt with the impugned goods after importation with the knowledge that

the goods were liable to confiscation. The role established against him is more appropriately covered by Section 112(a) rather than Section 112(b). Accordingly, I find that the ingredients necessary for invocation of Section 112(b) are not established. **Therefore, I refrain from imposing any penalty upon Shri Deepak Manuja under Section 112(b) of the Customs Act, 1962.**

16.32 I find that Section 114AA specifically requires evidence that a person knowingly or intentionally made, signed, used or caused to be made, signed or used a declaration, statement or document which is false or incorrect in any material particular. Thus, conscious knowledge and deliberate intent are essential ingredients for invocation of the said provision.

16.33 In the present case, although the imported goods have been found to be misdeclared and liable to confiscation, the investigation has not brought on record any evidence to establish that Shri Deepak Manuja fabricated, manipulated or knowingly procured any false invoice, packing list, or any other import document. The import documents were issued by the overseas supplier and there is no evidence on record demonstrating that Shri Deepak Manuja was aware, at the time of filing the Bill of Entry, that the particulars contained in such documents were false or fabricated. Further, no incriminating correspondence, forged document, parallel invoice or manipulated certificate has been recovered during investigation.

16.34 I hold that the conduct of Shri Deepak Manuja attracts penalty under Section 112(a) of the Customs Act, 1962. However, there is insufficient evidence to conclude that he knowingly and intentionally used or caused the use of false documents or declarations. Consequently, the essential requirements of Section 114AA are not met, and no penalty is imposable thereunder.

16.35 I further find that in the absence of evidence demonstrating conscious knowledge and deliberate intent on the part of the importer, are not sufficient to invoke the provisions of Section 114AA of the Customs Act, 1962. Reliance in this regard is placed on the Hon'ble Tribunal's decision in the case of **Principal Commissioner of Customs, New Delhi Versus Salasar Impex [(2024) 15 Centax 385 (Tri.-Del)]** wherein it is held as follows:

> 32. Section 114AA reads as follows:
>
> Section 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.

In this case, the only declaration made by the respondent is the Bill of Entry and the goods were found as per the declaration in the Bill of Entry. **The IGM was not filed by the appellant and if there is any error or inaccuracy in the IGM, it cannot be held against the respondent.**

Therefore, the Commissioner (Appeals) was correct in setting aside the penalty under section 114AA. **[Emphasis supplied]**

16.36 In view of the foregoing discussions and findings, I hold that Shri Deepak Manuja is liable to penalty under Section 112(a) of the Customs Act, 1962. However, I refrain from imposing any penalty upon him under Section 112(b) and Section 114AA of the Customs Act, 1962.

17. In view of the above discussion and findings, I pass the following order:

ORDER

i. I order to reject the declared classification of the impugned goods declared under CTI 73045930 as declared by the importer and hold that the same are correctly classifiable under CTI 73044900.

ii. I reject the declared assessable value of Rs. 52,86,845/- in respect of Bill of Entry No. 5594364 dated 09.11.2025 under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and I determine the same to Rs. 66,40,900/- in terms of the Rule 3 and Rule 9 of the Customs Valuation (Determination of value of the Imported Goods) Rules, 2007.

iii. I order confiscation of the impugned goods imported under Bill of Entry No. 5594364 dated 09.11.2025 under Section 111(m) of the Customs Act, 1962. However, I give an option to redeem the goods on payment of a fine of **Rs. 7,00,000 /- (Rupees Seven Lakh Only)** under section 125(1) of Customs Act, 1962 in lieu of confiscation subject to the condition that the said goods are allowed only for re-export.

iv. I further order that the importer shall re-export the goods **within two months** from the date of this order, failing which the option of re-export

granted herein shall stand withdrawn and the goods shall stand absolutely confiscated. Upon such confiscation becoming absolute, the goods shall thereupon vest in the Central Government in terms of Section 126 of the Customs Act, 1962.

v. I impose a penalty of **Rs. 7,00,000 /- (Rupees Seven Lakh Only)** on M/s. A D Trading Company under Section 112(a) of the Customs Act, 1962. However, I refrain from imposing penalty on M/s. A D Trading Company under Sections 112(b) and 114AA, of the Customs Act, 1962.

vi. I impose a penalty of **Rs. 7,00,000 /- (Rupees Seven Lakh Only)** on Shri Deepak Manuja Company under Section 112(a) of the Customs Act, 1962. However, I refrain from imposing penalty on Shri Deepak Manuja under Sections 112(b) and 114AA, of the Customs Act, 1962.

13. This Order is issued without prejudice to any other action that may be taken against the importer or persons or imported goods under the provisions of the Customs Act, 1962 or any other law for the time being in force in India.

Digitally signed by
S SATHIANARAYANAN
Date: 03-11-2026
16:51:29

(**S. Sathianarayanan**)
Additional Commissioner
Ahmedabad Customs

DIN : 20261171MN0000F1A88A
F.No. GEN/INV/OTH/167/2026-ICD-VRNM-CUS-COMMRTE-AHMEDABAD

To
1. M/s A D Trading Company (IEC: KJHPS0337C),
Office No 9 Second Floor, 578, Dhyan Avenue,
NR Ayachi Marg, Surya Tower Shopping,
Lilashah Nagar, Gandhidham, Kachchh, Gujarat, 370201
(email id : adtradingcompany2025@gmail.com)

2. Shri Deepak Manuja,
D-06, Plot No. 285, Subhash Nagar,
Ward-8A, Gandhidham, Adipur, Kutch-370205
(Email: globaltradeconultancy2021@gmail.com)

Copy to:-

(i) The Commissioner, Customs Ahmedabad (K/A: RRA Section).
(ii) The Deputy/Assistant Commissioner of Customs, ICD – Varnama
(iii) The Superintendent, Customs, H.Q. (Systems), Ahmedabad
(iv) The Superintendent (Task Force), Customs-Ahmedabad
(v) Guard File