कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा,
सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:
CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421.
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1. File No.	:	GEN/ADJ/ADC/482/2026-Adjn-O/o Pr Commr-Cus-Mundra
2. SCN No.	:	149/2026-27/ADC/ZDC/MCH
3. Date of Issue	:	14.09.2026
4. Passed by	:	**Dipak Zala,** Additional Commissioner of Customs, Customs House, AP&SEZ, Mundra.
5. Noticess(s)/Importer	:	**M/s. Yadav Trading and Company** (IEC: AVXPY1148B)

SHOW CAUSE NOTICE ISSUED UNDER SECTION 28(4) READ WITH SECTION 124 OF THE CUSTOMS ACT, 1962)

Whereas it appears that:

M/s. Yadav Trading and Company (IEC: AVXPY1148B), having its registered office near Ashok Gas Godam, Singhariya, Kuraghat, Gorakhpur - 273008 (herein after referred to as **"M/s.** Yadav Trading **/** Importer") were importing Welded Stainless-Steel Pipes, correctly classifiable under CTH: 7304/7305/7306, from China by mis-declaring the import goods as 'Curtain Rod' and misclassifying the same under CTH: 8302/7325 to evade the applicable Countervailing Duty in terms of Notification No. 4/2019-Customs

(CVD) dated 17.09.2019 and Notification No. 04/2024-Customs (CVD) dated 10.09.2024 on import of Welded Stainless-Steel Pipes and Tubes from China and Vietnam.

2. Based on specific intelligence developed by DRI, Ahmedabad Zonal Unit it was indicated that some importers of Welded Stainless-Steel Pipes, correctly classifiable under CTH: 7304/7305/7306, are importing the same from China by mis-declaring the import goods as 'Curtain Rod' and misclassifying the same under CTH: 8302/7325. The said mis-declaration was being done to evade the applicable Countervailing duty in terms of Notification No. 4/2019-Customs (CVD) dated 17.09.2019 and Notification No. 04/2024-Customs (CVD) dated 10.09.2024 on import of Welded Stainless-Steel Pipes and Tubes from China and Vietnam. **(RUD-1)**

3. Accordingly, the inquiry was initiated in respect of goods imported with the description 'Curtain Rod' by a number of importers without the payment of the applicable Countervailing duty applicable on the import of Stainless-Steel Welded Pipes and Tubes, which was otherwise leviable on the said imports.

APPLICABLE COUNTERVAILING DUTY STRUCTURE ON THE IMPORT OF STAINLESS-STEEL WELDED PIPES AND TUBES

4.1 In terms of Notification No. 04/2024-Customs (CVD) dated 10.09.2024 issued under Section 9 of Customs Tariff Act, 1975, the Countervailing duty was made applicable on the import of Stainless-Steel Welded Pipes and Tubes originating in, or exported from People's Republic of China for a period of five years (unless revoked, superseded or amended earlier. The Countervailing duty structure for the goods imported from China as per the said Notification is as under:

S. No.	Tariff Item	Description	Country of Origin	Country of Export	Producer	Duty Amount as % of CIF value
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	7304 11 10 7304 11 90 7304 41 00 7304 51 10 7304 90 00 7305 11 29 7305 90 99	Welded stainless steel pipes and tubes	Any country other than China PR	China PR	Any producer	29.88

	7306 11 00 7306 21 00 7306 29 19 7306 30 90 7306 40 00 7306 50 00 7306 61 00 7306 69 00 7306 90 11 7306 90 19 or 7306 90 90					
2	-do-	-do-	China PR	Any country including China PR	Any producer	29.88

4.2 Prior of the issuance of the Notification No. 04/2024-Customs (CVD) dated 10.09.2024, the Countervailing duty was already effective on the import of Stainless-Steel Welded Pipes and Tubes earlier vide Notification no. 4/2019-Customs (CVD) dated 17.09.2019 on the import of Stainless-Steel Welded Pipes and Tubes, the duty being levied for the period of five years from the date of issuance of the said Notification. The duty structure for the import of the said goods imported from China as per the said Notification is as follows:

S. No.	**Tariff Item**	**Description**	**Country of Origin**	**Country of Export**	**Producer**	**Duty Amount as % of CIF value**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**
1	7306 40 00, 7306 61 00, 7306 69 00, 7306 11 00, 7306 21 00	Welded stainless steel pipes and tubes	China PR	Any country including China PR	Zhejiang Jiuli Hi-Tech Metals Co., Ltd.	21.74
2	-do-	-do-	China PR	Any country including China PR	Any producer other than S.No. 1	29.88
3	-do-	-do-	Any country other than China PR and Vietnam	China PR	Any	29.88

4.3 From the above Countervailing duty structure, it emerges that the Stainless-Steel Welded Pipes and Tubes falling under CTH: 7304/7305/7306 of Chinese Origin, when exported from People's Republic of China and imported into India from a producer other than M/s. Zhejiang Jiuli Hi-Tech Metals Co., Ltd., attract Countervailing duty @ 29.88% of CIF value, since 17.09.2019.

LITERATURE REGARDING STAINLESS STEEL WELDED PIPES AND DISCUSSION ON RELEVANT PORTIONS OF CHAPTER 73 AND CHAPTER 83 OF CUSTOMS TARIFF ACT, 1975

5.1 As per Note 1(d) to Chapter 72 of the First Schedule to the Customs Tariff Act, 1975, read with the corresponding Explanatory Notes to the Harmonized System of Nomenclature (HSN), steel is defined as:

'Steel are ferrous materials other than those of heading 72.03 which (with the exception of certain types of castings) are usefully malleable and which contain by weight 2% or less of carbon. However, chromium steels may contain higher proportion of carbon.'

5.2 Similarly, Stainless Steel has been defined in the Note 1(d) to Chapter 72 of the First Schedule to the Customs Tariff Act, 1975 and read with the Explanatory Notes to the HSN, it is defined as follows:

'Stainless Steel are alloy steels, containing by weight, 1.2% or less of carbon and 10.5% or more of Chromium, with or without other elements.'

5.3 Further, the Explanatory Notes to Chapter 72 clarify that stainless steels are distinguished by their high resistance to corrosion and oxidation, which arises primarily from their chromium content. The corrosion resistance of stainless steel is attributed to the formation of a thin, adherent, and self-healing passive film of chromium oxide on the surface. Other alloying elements such as nickel, molybdenum, manganese, or nitrogen may also be present to impart additional properties, including enhanced strength, ductility, and chemical resistance.

5.4 The Bureau of Indian Standards has also issued IS 17876:2022 for 'Stainless Steel welded pipes and tubes for general service'. A cursory examination of these standards, which specify various grades of stainless steel, reveals that each grade contains Chromium in excess of 10.5 percent and Carbon not exceeding 1.2 percent, which is in conformity with the definition of stainless steel as provided in the Explanatory Notes to the Harmonized System of Nomenclature (HSN).

5.5 'Tubes and Pipes' have been used interchangeably under Chapter 73 (Articles of Iron or Steel) — particularly under the General Explanatory Notes to Chapter 73 and the Explanatory Notes to Headings 73.04, 73.05 and 73.06. In particular, 'Tubes and Pipes' are defined in the Explanatory Notes to the HSN in the General notes of Chapter 73 – 'Articles of Iron and Steel' as follows:

'Concentric hollow products, of uniform cross-section with only one enclosed void along their whole length, having their inner and outer surfaces of the same form. Steel tubes are mainly of circular, oval, rectangular (including square) cross-sections but in addition may include equilateral triangular and other regular convex polygonal cross-sections. Products of cross-section other than circular, with rounded corners along their whole length, and tubes with upset ends, are also to be considered as tubes. They may be polished, coated, bent (including coiled tubing), threaded and coupled or not, drilled, waisted, expanded, cone shaped or fitted with flanges, collars or rings.'

5.6 Also, it has been explicitly mentioned in the general notes of Chapter 73 that the General Explanatory Note to Chapter 72 applies, mutatis mutandis, to this Chapter. In view of the same, the definition of steel and stainless steel as mentioned in the explanatory notes of Chapter 72 applies to the articles falling under Chapter 73.

5.7 The Explanatory Notes to Heading 73.05 and 73.06 further provide that 'Welded tubes and pipes' are those which are manufactured from flat-rolled products (such as sheets, plates, or strips) that are formed into tubular shape and then closed by welding along the seam. The welding may be carried out by various methods such as electric resistance welding (ERW), arc welding, gas welding, or induction welding. The weld seam may be visible or subsequently treated (for example, scarfed, ground, or heat-treated) to improve appearance or mechanical properties.

5.8 Further, the welded pipes are distinct from seamless pipes, which are produced without a longitudinal joint, generally by piercing or extrusion processes, whereas welded pipes are formed by joining edges of rolled steel strips or plates by welding to form a continuous tubular product.

5.9 Chapter 73 covers 'Articles of Iron or Steel', which includes a wide range of semi-finished and finished products made principally of iron or steel (including stainless steel), such as tubes, pipes, fittings, tanks, nails, wire,

and other fabricated steel goods having primarily an industrial or structural function.

5.10 The importer, i.e. M/s. Yadav Trading and Company imported goods with the description 'Curtain Rod' under CTI 73259999. The classification details as mentioned in the Customs Tariff are as follows:

Level	Description
Chapter 73	Articles of iron or steel
Heading 7325	Other cast articles of iron or steel
Subheading 7325 99	Other
Tariff Item 7325 9999	Other

5.11 As apparent, the CTH: 7325 is exclusively meant for the cast articles made of iron or steel. The said goods imported by M/s. Yadav Trading, i.e. 'SS welded pipes' imported under goods' description, 'Curtain Rod' are not cast articles. These pipes are manufactured by forming stainless steel sheets or coils into a tubular shape followed by welding of the longitudinal seam and subsequent finishing operations. In contrast, cast articles are produced by pouring molten metal into moulds and allowing it to solidify into the required shape. Since SS welded pipes are fabricated from rolled stainless steel products through forming and welding processes, and not through casting of molten metal, they cannot be treated as cast articles.

5.12 Based on the analysis of the Customs Tariff including Explanatory Notes as elucidated above, it appears that the said goods are more appropriately classifiable under CTH 7306. The classification details are as follows:

Level	Description
Chapter 73	Articles of iron or steel
Heading 7306	Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel

EXAMINATION OF THE IMPORTED GOODS AT MUNDRA PORT/APSEZ MUNDRA

6.1 Based on the above intelligence, live consignment of goods imported by M/s. Yadav Trading were put on hold and examined under panchnama

dated 05.03.2025 at Seabird CFS, Bharat CFS Zone-I, Mundra port. The corresponding Bills of Entry were filed through APSEZ, Mundra (INAJM6), however, the goods were put on hold before movement of the containers to the designated SEZ unit and thus were examined at Seabird CFS, Mundra. The examination proceedings were recorded under Panchnama dated 05.03.2025, which is annexed as **RUD-2.** The import details of the said goods are as follows:

Sr. No.	**Port Code**	**Name of the Importer (M/s.)**	**Goods Description**	**B/E No. & Date**	**Container No.**
1	INAJM6	Yadav Trading and Company (IEC: AVXPY1148B)	Hollow Profile (Rectangle shape) for framing (CTI: 73069090)	8706023 dated 05.03.2025	TCNU7867703
			Curtain Rod (CTI: 73259999)	8706023 dated 05.03.2025	TCNU7867703

6.2 During examination, it was found that the goods are in the form of pipes and have the appearance of stainless steel. It was also observed that the said pipes were welded on the inner profile. Further, the goods imported with description, 'Curtain Rod' had circular cross section, while the goods imported with description, 'Hollow Profile (Rectangle shape) for framing' had rectangular cross section. The goods were also examined with XRF Analyser which detects the composition of the elements in the goods. The XRF Analyser displayed the detected elements and their corresponding concentration in the goods as follows:

TABLE-1A (for 'Curtain Rod')

Element	Percentage of elements in 'Curtain Rod'
Fe	**74.22**
Cr	**13.06**
Mn	10.63
Ni	1.06
Si	0.72
V	0.09
Co	0.06

Ti	0.05

TABLE-1B (for 'Hollow Profile (Rectangle shape) for framing'

Element	Percentage of elements in 'Hollow Profile (Rectangle shape) for framing'
Fe	**75.54**
Cr	**13.27**
Mn	8.78
Ni	1.15
Cu	0.51
Si	0.43
V	0.11
Ti	0.08

6.3 Based on the physical appearance and the composition of the elements detected by the XRF analyser, the said goods had the characteristics of Stainless-Steel Welded Pipes. In view of the same, the goods imported as mentioned in the para 5.1 above were put on hold and the custodian was directed not to remove, sell, part or deal with the said goods.

6.4 During the examination of the said goods, the cut pieces of the said pipes were also drawn as samples for testing.

TEST REPORT OF CECL, VADODARA

7. The sample of the goods drawn at Seabird CFS, Mundra as described in the para 5 above were sent to CECL Vadodara for testing. The Test report was received from CECL Vadodara and is annexed as **RUD-3** to this IR. The test report so received is extracted hereinunder:

(i) Test report in respect of sample of '**Curtain Rod'** (B/E No. 8706023 dated 05.03.2025):

It is an alloy of iron, chromium, manganese and nickel having following composition:

TABLE-2

Sr.No.	Test Name	Test Result
1.	Chromium (%)	14.81
2.	Manganese (%)	9.91
3.	Nickel (%)	1.38

Query as to 'whether the material of the sample is stainless steel or otherwise' and 'whether the sample is seamless pipe or welded pipe' could not be ascertained.

(ii) Test report in respect of sample of '**Hollow Profile (Rectangle shape) for framing**' (B/E No. 8706023 dated 05.03.2025):

TABLE-2

Sr.No.	Test Name	Test Result
1.	Chromium (%)	14.12
2.	Manganese (%)	6.92
3.	Nickel (%)	1.21

Query as to 'whether the material of the sample is stainless steel or otherwise' and 'whether the sample is seamless pipe or welded pipe' could not be ascertained.

TEST REPORT OF CRCL, NEW DELHI

8.1 As per the test reports received from CECL, Vadodara, the percentage of Chromium in the said goods was found to be reasonably above 10.5%, indicating that the goods were made of stainless steel. However, the said report was still inconclusive whether the samples were made of stainless steel or otherwise. In view of the same, the remnant sample of the said goods was sent to CRCL, New Delhi for testing. As per the report dated 28.07.2025 received from CRCL, New Delhi **(RUD-4)**, the composition of the elements in the said goods are as follows:

TABLE-3

Sr. No.	**Name of the importer (M/s.)**	**Goods Description**	**B/E No. & Date**	**Carbon (% by mass)**	**Chromium (% by mass)**	**Nickel (% by mass)**	**Manganese (% by mass)**	**Silicon (% by mass)**	**Iron (% by mass)**
1.	Yadav Trading	'Curtain Rod'	8706023 dated 05.03.2025	0.13	16.44	1.28	5.43	0.51	75.25
2.	Yadav Trading	'Hollow Profile (Rectangle Shape) for framing'	8706023 dated 05.03.2025	0.12	16.07	1.36	5.54	0.43	75.51

8.2 Further, as per the said report received from CRCL, New Delhi, the **sample was found to have the composition of stainless steel and appeared to be other than seamless pipes.**

8.3 Thus, the report received from CRCL, New Delhi, read along with the physical examination of the goods conducted under the Panchnama dated 05.03.2025 at Seabird CFS, Mundra clearly established that the impugned goods were stainless steel welded pipes (other than seamless).

SEIZURE OF THE GOODS IMPORTED AT ICD DADRI AND DETAINED UNDER PANCHNAMA DATED 20.02.2025

9.1 In view of the physical examination and test reports received from CECL Vadodara, the live consignments of the goods detained at Mundra port/APSEZ Mundra pertaining to M/s. Yadav Trading and Company were ascertained to be Welded Pipes made of Stainless Steel.

9.2 In view of the above, the goods imported by M/s. Yadav Trading appeared to attract Countervailing duty @ 29.88% of CIF value in terms of Notification No. 04/2024-Customs (CVD) dated 10.09.2024 (S.No.2) since the said goods were declared to be of Chinese origin and were also imported from China. The details of the goods, that were detained at Seabird CFS, Mundra under Panchnama dated 05.03.2025, are as follows:

TABLE-4

Sr. No.	B/E No. & Date	Goods description	Quantity In kgs	Declared CIF value of the goods in Rs.
1.	8706023 dated 05.03.2025	Hollow Profile (Rectangular Shape) for Framing	19288	8,80,111/-
		Curtain Rod	6258	3,29,484/-
Total			**25,546**	**12,09,595/-**

9.3 Thus, the said goods, of Chinese Origin, imported by M/s. Yadav Trading were mis-declared as 'Curtain Rod' instead of 'Welded Stainless Steel Pipes and Tubes'. Accordingly, the said goods examined under panchnama dated 05.03.2025 were placed under seizure under the provisions of Section 110 of the Customs Act, 1962 on the reasonable belief that they were liable for confiscation under Section 111 of the Customs Act, 1962 as the imported goods of Chinese Origin were imported by the evasion of Countervailing duty @ 29.88% of CIF value applicable in terms of Notification No. 04/2024-Customs (CVD) dated 10.09.2024.

9.4 The said seizure was effected vide Seizure Memo dated 08.04.2025 issued vide F.No. DRI/AZU/CI-2/INT-14/2025 by the Senior Intelligence Officer, DRI, AZU, Ahmedabad. **(RUD-5)**

PROVISIONAL RELEASE OF THE SEIZED GOODS:

10.1 M/s. Yadav Trading vide letter addressed to Customs, Mundra applied for the provisional release of the goods seized by the DRI, AZU vide seizure memo dated 08.04.2025.

10.2 In response to the request of the importer and in exercise of the powers conferred under Section 110A of the Customs Act, 1962, the competent authority ordered the provisional release of the said seized goods on execution of PD Bond and furnishing of Bank Guarantee. The said order was conveyed vide the letter C.No. CUS/APR/BE/552/2025-Gr-4-O/o Pr Commr-Cus-Mundra dated 06.05.2025 issued by the Deputy Commissioner of Customs, CH Mundra to M/s. Yadav Trading. **(RUD-5A)**

PAYMENT OF THE COUNTERVAILING DUTY AND OUT OF CHARGE TO THE SEIZED GOODS

11.1 It is pertinent to mention here that the live consignment of goods imported by M/s. Yadav Trading vide B/E No. 8706023 dated 05.03.2025 were put on hold by DRI, AZU before the Customs assessment. The goods were examined and later seized by DRI, while simultaneously, a query was placed by the Customs Appraiser in ICES against the said B/E.

11.2 Against the said query and subsequent to the provisional release order issued by the competent authority as mentioned in para 9 above, the importer voluntarily requested the jurisdictional Customs to assess the Bill of Entry by applying the Notification no. 04/2024-Customs (CVD) dated 10.09.2024. Accordingly, the said Bill of Entry was amended, wherein the CTI of the said goods imported under goods description 'Curtain Rod', was changed to CTI 7306 3090 and the Bill of Entry was processed with the levy of the CVD in terms of the said Notification.

11.3 As the said B/E, i.e. B/E no. 8706023 dated 05.03.2025 was warehousing B/E (Z type), the corresponding warehouse to DTA Bill of Entry (T type) was filed and provisionally assessed. The Out of Charge to the said Bs/E was granted after the payment of the custom duties, including the Countervailing Duty applicable in terms of the Notification no. 04/2024-

Customs (CVD) dated 10.09.2024. The corresponding warehouse to DTA B/E, so filed in the matter is briefed as follows:

TABLE-5

Sr. No.	W/h B/E No. & Date	W/h to DTA B/E No. & Date	Goods Description	Ass. (CIF) value of the goods as per W/h to DTA B/E in Rs.	CVD payable @ 29.88% in Rs.	CVD paid in Rs.
1.	8706023 dated 05.03.2025	3861694 dated 13.08.2025	Hollow Profile (Rectangular Shape) for Framing	8,88,637/-	2,92,077/-	2,92,077/-
			Curtain Rod	3,32,675/-	1,14,314/-	1,14,314/-
	Total			**12,21,312/-**	**4,06,391/-**	**4,06,391/-**

11.4 The corresponding Bill of Entry along with import documents is collectively annexed as **RUD-6** to this SCN.

STATEMENT AND SUBMISSION OF THE IMPORTER:

STATEMENT DATED 08.04.2025 OF SHRI SANDEEP KUMAR SINGH, AUTHORISED REPRESENTATIVE OF M/s. YADAV TRADING AND COMPANY

12.1 Summons, bearing DIN-202504DDZ10000924294 dated 01.04.2025, was issued to M/s. Yadav Trading and Company in the said matter. In response, Shri Sandeep Kumar Singh, the authorised representative of M/s. Yadav Trading and Company, appeared on 08.04.2025 for tendering his statement.

12.2 In this regard, he produced a letter of authorisation issued by Shri Dharmendra Kumar Yadav, Proprietor of M/s. Yadav Trading and Company, authorising him (Shri Sandeep Kumar Singh) to tender the statement and submit documents in compliance with the Summons issued to the firm. Also, he produced notarized copy of a consent letter dated 18.02.2025 issued by Shri Dharmendra Kumar Yadav, proprietor of M/s. Yadav Trading and Company, wherein he had permitted Shri Sandeep Kumar Singh to use the said firm for his import/export business and also stated that Shri Sandeep Kumar Singh would be accountable for all liabilities and responsibilities of this firm during the consenting period: Jan'2024 to Dec'2026 **(RUD-7)**. The statement of Shri Sandeep Kumar Singh was thus recorded **(RUD-7A)**, wherein, he, inter-alia, stated the following:

12.2.1 He stated that Shri Dharmender Kumar Yadav, proprietor of M/s Yadav Trading and Company is his school time friend. He (Shri Sandeep Kumar Singh) looks after all business activities of M/s Yadav Trading and Company. Further, he had been authorised by Shri Dharmender Yadav, proprietor of M/s Yadav Trading and Company to represent the company for recording of statement and submission of documents as per the summons issued by DRI.

12.2.2 He stated that being an authorised person of M/s. Yadav Trading and Company, he manages the sales and purchase, including import, in the firm – M/s. Yadav Trading and Company.

12.2.3 He stated that M/s. Yadav Trading and Company is engaged in the business of import of furniture hardware items and stainless-steel pipes. He stated that they import all their goods from China and supply the goods directly to their customers from port. M/s. Yadav Trading doesn't have any warehouse of their own.

12.2.4 He stated that they import Curtain Rod in their firm namely M/s. Yadav Trading and Company from China and they sell the said items i.e. Curtain Rods only to M/s Jai Bajrangi Metals & Steel Fabricator, Tohana, Haryana. Shri Atul Kumar is the main person of this company. His contact number is 9812023793. Further, they (M/s. Yadav Trading) duly issue the e-way bills for every consignment and they have received all payments in their bank account.

12.2.5 He stated that they imported their first consignment of the item – 'Curtain Rod' in the month of July-2024 for the firm M/s. Yadav Trading and Company. He stated that apart from their consignment presently on hold at Mundra Port, M/s. Yadav Trading and Company had imported 02 containers of 'Curtain Rod' in the past.

12.2.6 He stated that as they were in the business of trading of hardware items, they observed that there is huge demand of the steel pipes. Also, Shri Atul Kumar of M/s. Goyal Brothers, Hisar, who was their old customer told them (M/s Yadav Trading) that he (Shri Atul Kumar) deals in these items regularly with other domestic firms. Shri Atul Kumar gave them (M/s. Yadav Trading) the idea of importing curtain rods/steel pipes. Accordingly, he (Shri Sandeep Kumar Singh) inquired the same from Shri Amit Sherwani, an agent in China with whom he had prior contact due to his work. Shri Amit Kumar provided him the contact details of Mr. Chen of Foshan, China. Mr. Chen told him (Shri Sandeep Kumar Singh) that he (Mr. Chen) is supplying the said item- Steel Pipes to a number of importers in

India and if they (M/s. Yadav Trading) want, he (Mr. Chen) can also supply the said item to them. Accordingly, M/s. Yadav Trading started the import of Steel Pipes by the description 'Curtain Rod' from China.

12.2.7 He stated that Mr. Chen supplies the said goods to them and Mr. Chen's main firm is M/s. Solid Solutions Exports Limited (Hong Kong) from whom he had imported the goods that were intercepted at APSEZ, Mundra. Further, for the past consignments of 'Curtain Rod', his suppliers are M/s. Tianjin Jinfuda International Trade Co. Ltd and M/s. Neostart International Co. Limited but these consignments were also delivered to them through Mr. Chen.

12.2.8 He stated that Shri Amit Kumar has origin in Hyderabad but he is based in China. He contacts from different nos. and he (Shri Sandeep Kumar Singh) didn't have his current phone number.

12.2.9 On being asked about the description of the item – 'Curtain Rod' imported by them, he stated that the said items are hollow pipes made of steel, which come in shapes round and oval, sizes- 19mm and 25mm and in lengths – 12 feet and 15 feet. Further, the said goods come in varying thicknesses, which are generally 0.33mm, 0.37mm and 0.48mm. He stated that they have procured only round shape pipes from China. He further stated that their current consignment of 'Curtain Rod' imported vide B/E no. 8706023 dated 05.03.2025 is similar to the consignments imported as 'Curtain Rod' in the past.

12.2.10 He stated that as per his knowledge, these pipes are mostly used as curtain rods and also used in fabrication of doors, chairs, clothes stand and other furniture items. He also stated that as these goods come in only standard lengths – 12 feet and 15 feet, they have to be cut to required lengths for usage.

12.2.11 He stated that the Mill Test Certificates were never given to them by the supplier and therefore, he could produce the same. However, he stated that he would ask the overseas supplier to provide the Mill Test Certificates for the imported goods and would submit the same to DRI.

12.2.12 He stated that on inquiry in the market, he got to know that the said steel pipes were being imported by other importers with description 'Curtain Rod' to avoid Countervailing duty and these goods were also sold in the domestic market by the same description. Therefore, they had asked their overseas supplier to mention the same in the invoice/packing list

under HSN code: 73259999. Accordingly, they (M/s. Yadav Trading) had declared the goods description as 'Curtain Rod' and CTI: 73259999 in their Bills of Entry to avoid CVD applicable on the import of the said goods. Further, for their consignment intercepted by DRI at APSEZ, Mundra, they had also imported rectangular pipes of Stainless Steel under goods description, 'Hollow profile (rectangular shape) for framing'.

12.2.13 He perused the Panchnama dated 05.03.2025 drawn for the examination of the goods of M/s. Yadav Trading and Company imported vide B/E No. 8706023 dated 05.03.2025 at Seabird CFS, Bharat CFS Zone-I Mundra and agreed to the contents of the said Panchnama including specifically the fact that the imported goods were welded pipes made of stainless steel.

12.2.14 He stated that as per the Panchnama dated 05.03.2025, the pipes were having a clear-cut line of welding inside the pipe and further on testing, they were found to be made up of stainless steel. He stated that therefore, he has understood and agreed that the said goods were Stainless Steel Welded Pipes rightly classifiable under CTH 7306. He added that their overseas supplier had also told us that the said goods were welded pipes.

12.2.15 He stated that the pipes imported by them (M/s. Yadav Trading) were of a standard size and not cut to size. Further, he also stated that they had sold the said goods in the same condition as imported by them.

12.2.16 He perused the applicable Customs notifications, i.e. the Notification No. 04/2024-Customs (CVD) dated 10.09.2024 and Notification No. 4/2019-Customs (CVD) dated 17.09.2019 and after perusal, he admitted that the goods imported by M/s. Yadav Trading and Company as 'Curtain Rod' and 'Hollow profile (rectangular shape) for framing' were Welded Stainless Steel Pipes and attracted CVD @ 29.88% of CIF value. He also undertook to pay the applicable CVD along with interest and 15% penalty on their consignment intercepted at APSEZ, Mundra.

12.2.17 He further undertook to pay the CVD in terms of Notification No. 04/2024-Customs (CVD) dated 10.09.2024 and Notification No. 4/2019-Customs (CVD) dated 17.09.2019 for the past consignments of 'Curtain Rod' imported by M/s. Yadav Trading and Company.

13. ANALYSIS AND DISCUSSION OF THE EVIDENCES ON RECORD

13.1 The examination of the live consignments of the goods imported under the description, 'Curtain Rod' and 'Hollow Profile (Rectangle Shape) for framing' at Seabird CFS, Mundra under Panchnama dated 05.03.2025 revealed that the said goods were welded pipes. Further, composition of the said goods was also examined with the XRF analyser which detected the presence of Chromium above 10.5%, thus indicating that the said goods were made of stainless steel.

13.2 The sample analysis report of the goods received from CECL, Vadodara pertaining to samples drawn under the Panchnama dated 05.03.2025, confirmed that the Chromium content was above 10.5%. However, it could not be conclusively determined whether the said goods were made of stainless steel.

13.3 In view of the above, the remnant samples of the goods were again forwarded to CRCL, New Delhi, for re-testing to ascertain the composition of the goods and to determine whether the said goods were made of stainless steel and whether they were welded pipes or otherwise. In response, ***the reports received from CRCL New Delhi confirmed that the said samples were made of stainless steel and were other than that of seamless pipe.***

13.4 As per the Explanatory Notes to the Harmonized System of Nomenclature (HSN) discussed at para 4 of this IR, stainless steel is a type of alloy steel containing by weight 1.2% or less of carbon and 10.5% or more of chromium, with or without other elements. The same has been categorically confirmed by the lab reports received from CECL Vadodara as well as the re-test report received from CRCL, New Delhi. As per the sample analysis report received from CRCL, New Delhi, the percentage of carbon is around 0.12% and that of chromium is around 16%, which confirms that the said goods were made of stainless steel.

13.5 As established during the course of investigation, the goods imported under the description 'Curtain Rod' were, in fact, welded stainless steel pipes and tubes, imported in standard lengths of 12 feet and 15 feet. In his statement, Shri Sandeep Kumar Singh, authorised representative of M/s. Yadav Trading and Company stated that these imported pipes are sold in the market for use as curtain rods and also used in the fabrication of doors, chairs, clothes stand and other furniture items. He further stated that these goods are required to be cut to the desired lengths prior to their use. Therefore, in the form and condition in which they were imported, the said

goods cannot appropriately be termed as 'Curtain Rod', since even for use as curtain rods, they require further processing and sizing.

13.6 It is well known that as per general usage, Curtain Rods are finished articles, ready for retail sale and direct use after installation with brackets and end fittings. Welded Pipes, on the other hand, are semi-finished industrial goods, which may subsequently be cut, bent, or polished to produce finished items such as curtain rods, furniture frames, or railings.

13.7 In view of the above, it is evident that the said goods are, in essence, stainless steel welded pipes classifiable under Heading 7306, as they retain the essential characteristics of pipes/tubes, notwithstanding their subsequent use post necessary modifications as curtain rods or furniture components. Only when such pipes are cut to specific sizes and equipped with fittings or decorative features, the said goods can be identified as curtain rods.

13.8 Further, as discussed in para 4 of this IR, the CTI: 7325, under which the importer had declared their goods imported under description, 'Curtain Rod', is meant specifically for cast articles made of iron or steel, while SS welded pipes, made through forming and welding processes, are not cast articles and are appropriately classifiable under CTH: 7306.

13.9 Shri Sandeep Kumar Singh, representing M/s. Yadav Trading and Company, in his statement dated 08.04.2025, inter alia, stated that upon making inquiries in the market, he came to know that certain importers were importing similar steel pipes by declaring the description as "Curtain Rod" with the intention of avoiding the Countervailing Duty (CVD) applicable on such goods. Accordingly, M/s. Yadav Trading had also requested their overseas supplier to mention the description "Curtain Rod" in the invoice and packing list and HSN Code as 73259999 to avoid payment of CVD on the import of the said goods.

13.10 Thus, based on the importer's own admission, same description and classification of the goods, and the examination of the live consignment, it is logically inferred that the live consignment examined under Panchnama dated 05.03.2025 and the goods imported earlier in the past under the description 'Curtain Rod' were identical in nature and were, in fact, stainless steel welded pipes.

13.11 With respect to the part goods imported under the description, 'Hollow Profile (Rectangle Shape) for Framing' along with 'Curtain Rod' in the

live consignment imported vide warehousing B/E No. 8706023 dated 05.03.2025, the same were also ascertained to be 'Stainless Steel Welded Pipes' in view of the examination of the goods under Panchnama dated 05.03.2025 and the CRCL Delhi report dated 28.07.2025. On the importer's request subsequent to the initiation of DRI inquiry, the corresponding B/E was assessed with the levy of the CVD and subsequently granted Out of Charge.

13.12 It is thus inferred from the inquiry conducted in the matter that the said importer was fully aware of the correct description of the goods and they deliberately declared the incorrect description and CTI in the import declaration to avoid the payment of countervailing duty applicable on the import of Stainless-Steel Welded Pipes and Tubes.

14. LEGAL PROVISIONS UNDER THE CUSTOMS ACT, 1962

14.1 **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.

(2) The proper officer may verify the entries made under section 46 or section 50 and the self assessment of goods referred to in sub-section (1) and for this purpose, examine or test any imported goods or export goods or such part thereof as may be necessary.

[Provided that the selection of cases for verification shall primarily be on the basis of risk evaluation through appropriate selection criteria.]

(3) For the purposes of verification under sub-section (2), the proper officer may require the importer, exporter or any other person to produce any document or information, whereby the duty leviable on the imported goods or export goods, as the case may be, can be ascertained and thereupon, the importer, exporter or such other person shall produce such document or furnish such information.

(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.

(5) Where any re-assessment done under sub-section (4) is contrary to the self-assessment done by the importer or exporter and in cases other than those where the importer or exporter, as the case may be, confirms his acceptance of the said re- assessment in writing, the proper officer shall pass a speaking order on the re-assessment, within fifteen days from the date of re-assessment of the bill of entry or the shipping bill, as the case may be.

14.2 **Section 18- Provisional assessment of duty:**

(1) Notwithstanding anything contained in this Act but without prejudice to the provisions of section 46 and section 50,-

(a) where the importer or exporter is unable to make self-assessment under sub-section (1) of section 17 and makes a request in writing to the proper officer for assessment; or

(b) where the proper officer deems it necessary to subject any imported goods or export goods to any chemical or other test; or

(c) where the importer or exporter has produced all the necessary documents and furnished full information but the proper officer deems it necessary to make further enquiry; or

(d) where necessary documents have not been produced or information has not been furnished and the proper officer deems it necessary to make further enquiry,

[the proper officer may assess the duty leviable on such goods, provisionally,] if the importer or the exporter, as the case may be, furnishes such security as the proper officer deems fit for the payment of the deficiency, if any, between the duty as may be finally assessed or re-assessed as the case may be, and the duty provisionally assessed.]

(1A) Where, pursuant to the provisional assessment under sub-section (1), if any document or information is required by the proper officer for final assessment, the importer or exporter, as the case may be, shall submit such document or information within such time, and the proper officer shall finalise the provisional assessment 14[in such manner], as may be prescribed.]

(1B) The proper officer shall finalise the duty provisionally assessed, within two years from the date of such assessment under sub-section

(1):

Provided that the Principal Commissioner of Customs or the Commissioner of Customs may, on sufficient cause being shown and for reasons to be recorded in writing, extend the said period to a further period of one year:

Provided further that in respect of any provisional assessment pending under sub-section (1) as on the date on which the Finance Bill, 2025 receives the assent of the President, the said period of two years shall be reckoned from the date on which the said Finance Bill receives the assent of the President.

(1C) Where the proper officer is unable to assess the duty finally within the time specified under sub-section (1B) for the reason that–
(a) an information is being sought from an authority outside India through a legal process; or

(b) an appeal in a similar matter of the same person or any other person is pending before the Appellate Tribunal or the High Court or the Supreme Court; or

(c) an interim order of stay has been issued by the Appellate Tribunal or the High Court or the Supreme Court; or

(d) the Board has, in a similar matter, issued specific direction or order to keep such matter pending; or

(e) the importer or exporter has a pending application before the Settlement Commission or the Interim Board, the proper officer shall inform the importer or exporter concerned, the reason for non-finalisation of the provisional assessment and in such case, the time specified in sub-section (1B) shall apply not from the date of the provisional assessment but from the date when such reason ceases to exist.]

(2) When the duty leviable on such goods is assessed finally [or reassessed by the proper officer] in accordance with the provisions of this Act, then –

(a) in the case of goods cleared for home consumption or exportation, the amount paid shall be adjusted against the duty 5 [finally assessed or re-assessed, as the case may be,] and if the amount so paid falls

short of, or is in excess of 6 [the duty 7 [finally assessed or re-assessed, as the case may be,]], the importer or the exporter of the goods shall pay the deficiency or be entitled to a refund, as the case may be;

(b) in the case of warehoused goods, the proper officer may, where the duty [finally assessed or re-assessed, as the case may be,] is in excess of the duty provisionally assessed, require the importer to execute a bond, binding himself in a sum equal to twice the amount of the excess duty.

(3) The importer or exporter shall be liable to pay interest, on any amount payable to the Central Government, consequent to the final assessment order or re-assessment order under sub-section (2), at the rate fixed by the Central Government under section 11 [28AA] from the first day of the month in which the duty is provisionally assessed till the date of payment thereof.

(4) Subject the sub-section (5), if any refundable amount referred to in clause (a) of sub-section (2) is not refunded under that sub-section within three months from the date of assessment, of duty finally 13 [or re-assessment of duty, as the case may be,] there shall be paid an interest on such un-refunded amount at such rate fixed by the Central Government under section 27A till the date of refund of such amount.

(5) The amount of duty refundable under sub-section (2) and the interest under sub-section (4), if any, shall, instead of being credited to the Fund, be paid to the importer or the exporter, as the case may be, if such amount is relatable to:
(a) the duty and interest, if any, paid on such duty paid by the importer, or the exporter, as the case may be, if he had not passed on the incidence of such duty and interest, if any, paid on such duty to any other person;
(b) the duty and interest, if any, paid on such duty on imports made by an individual for his personal use;
(c) the duty and interest, if any, paid on such duty borne by the buyer, if he had not passed on the incidence of such duty and interest, if any, paid on such duty to any other person;
(d) the export duty as specified in section 26;
(e) drawback of duty payable under sections 74 and 75.

14.3 **Section 28- Recovery of duties not levied or not paid or short-levied or short- paid or erroneously refunded** -

(1) Where any duty has not been levied or not paid or short-levied or short-paid] or erroneously refunded, or any interest payable has not been paid, part-paid or erroneously refunded, for any reason other than the reasons of collusion or any willful mis-statement or suppression of facts-

(a) the proper officer shall, within two years from the relevant date, serve notice on the person chargeable with the duty or interest which has not been so levied or paid or which has been short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice;

[Provided that before issuing notice, the proper officer shall hold pre-notice consultation with the person chargeable with duty or interest in such manner as may be prescribed;]

(b) the person chargeable with the duty or interest, may pay before service of notice under clause (a) on the basis of-

(i) his own ascertainment of such duty; or

(ii) the duty ascertained by the proper officer,

the amount of duty along with the interest payable thereon under section 28AA or the amount of interest which has not been so paid or part-paid.

(2) The person who has paid the duty along with interest or amount of interest under clause (b) of sub-section (1) shall inform the proper officer of such payment in writing, who, on receipt of such information, shall not serve any notice under clause (a) of that sub-section in respect of the duty or interest so paid or any penalty leviable under the provisions of this Act or the rules made thereunder in respect of such duty or interest:

***[Provided** that where notice under clause (a) of sub-section (1) has been served and the proper officer is of the opinion that the amount of duty along with interest payable thereon under section 28AA or the amount of interest, as the case may be, as specified in the notice, has been paid in full within thirty days from the date of receipt of the notice, no penalty shall be levied and the proceedings against such person or other persons to whom the said notice is served under clause (a) of sub-section (1) shall be deemed to be concluded.]*

(3) Where the proper officer is of the opinion that the amount paid under clause (b) of sub-section (1) falls short of the amount actually payable, then, he shall proceed to issue the notice as provided for in clause (a) of that sub-section in respect of such amount which falls short of the amount actually payable in the manner specified under that sub-section and the period of [9][two years] shall be computed from the date of receipt of information under sub-section (2).

(4) Where any duty has not been levied or not paid or has been short-levied or short-paid] or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of,-
(a) collusion; or
(b) any wilful mis-statement; or
(c) suppression of facts,
by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been [so levied or not paid] or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

(5) Where any duty has not been levied or not paid or has been short-levied or short paid] or the interest has not been charged or has been part-paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts by the importer or the exporter or the agent or the employee of the importer or the exporter, to whom a notice has been served under sub-section (4) by the proper officer, such person may pay the duty in full or in part, as may be accepted by him, and the interest payable thereon under section 28AA and the penalty equal to [fifteen per cent.] of the duty specified in the notice or the duty so accepted by that person, within thirty days of the receipt of the notice and inform the proper officer of such payment in writing.

(6) Where the importer or the exporter or the agent or the employee of the importer or the exporter, as the case may be, has paid duty with interest and penalty under sub-section (5), the proper officer shall determine the amount of duty or interest and on determination, if the proper officer is of the opinion-

(i) that the duty with interest and penalty has been paid in full, then, the proceedings in respect of such person or other persons to whom the notice is served under sub-section (1) or sub-section (4), shall, without prejudice to the provisions of sections 135, 135A and 140 be deemed to be conclusive as to the matters stated therein; or

(ii) that the duty with interest and penalty that has been paid falls short of the amount actually payable, then, the proper officer shall proceed to issue the notice as provided for in clause (a) of sub-section (1) in respect of such amount which falls short of the amount actually payable in the manner specified under that sub-section and the period of [two years] shall be computed from the date of receipt of information under sub-section (5).

(7) In computing the period of [two years] referred to in clause (a) of sub-section (1) or five years referred to in sub-section (4), the period during which there was any stay by an order of a court or tribunal in respect of payment of such duty or interest shall be excluded.

[(7A) Save as otherwise provided in clause (a) of sub-section (1) or in sub-section (4), the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed, and the provisions of this section shall apply to such supplementary notice as if it was issued under the said sub section (1) or sub-section (4).]

(8) The proper officer shall, after allowing the concerned person an opportunity of being heard and after considering the representation, if any, made by such person, determine the amount of duty or interest due from such person not being in excess of the amount specified in the notice.

(9) The proper officer shall determine the amount of duty or interest under sub-section (8),-

(a) within six months from the date of notice, in respect of cases falling under clause (a) of sub- section (1);

(b) within one year from the date of notice, in respect of cases falling under sub-section (4).

[Provided that where the proper officer fails to so determine within the specified period, any officer senior in rank to the proper officer may, having regard to the circumstances under which the proper officer was prevented from determining the amount of duty or interest under sub-section (8), extend the period specified in clause (a) to a further period of six months and the period specified in clause (b) to a further period of one year:

Provided further that where the proper officer fails to determine within such extended period, such proceeding shall be deemed to have concluded as if no notice had been issued.

(9A) Notwithstanding anything contained in sub-section (9), where the proper officer is unable to determine the amount of duty or interest under sub-section (8) for the reason that-

(a) an appeal in a similar matter of the same person or any other person is pending before the Appellate Tribunal or the High Court or the Supreme Court; or

(b) an interim order of stay has been issued by the Appellate Tribunal or the High Court or the Supreme Court; or

(c) the Board has, in a similar matter, issued specific direction or order to keep such matter pending; or

(d) the Settlement Commission has admitted an application made by the person concerned, the proper officer shall inform the person concerned the reason for non-determination of the amount of duty or interest under sub-section (8) and in such case, the time specified in sub-section (9) shall apply not from the date of notice, but from the date when such reason ceases to exist.]

(10) Where an order determining the duty is passed by the proper officer under this section, the person liable to pay the said duty shall pay the amount so determined along with the interest due on such amount whether or not the amount of interest is specified separately.

(10A) Notwithstanding anything contained in this Act, where an order for refund under sub-section (2) of section 27 is modified in any appeal and the amount of refund so determined is less than the amount refunded under said sub-section, the excess amount so refunded shall

be recovered along with interest thereon at the rate fixed by the Central Government under section 28AA, from the date of refund up to the date of recovery, as a sum due to the Government.

(10B) A notice issued under sub-section (4) shall be deemed to have been issued under sub-section (1), if such notice demanding duty is held not sustainable in any proceeding under this Act, including at any stage of appeal, for the reason that the charges of collusion or any wilful mis-statement or suppression of facts to evade duty has not been established against the person to whom such notice was issued and the amount of duty and the interest thereon shall be computed accordingly.]

(11) Notwithstanding anything to the contrary contained in any judgement, decree or order of any court of law, tribunal or other authority, all persons appointed as officers of Customs under sub-section (1) of section 4 before the 6th day of July, 2011 shall be deemed to have and always had the power of assessment under section 17 and shall be deemed to have been and always had been the proper officers for the purposes of this section.]

14.4 **Section 46. Entry of goods on importation. –**

(*1) The importer of any goods, other than goods intended for transit or transhipment, shall make entry thereof by presenting electronically on the customs automated system to the proper officer a bill of entry for home consumption or warehousing in such form and manner as may be prescribed:*

[Provided that the [Principal Commissioner of Customs or Commissioner of Customs] may, in cases where it is not feasible to make entry by presenting electronically [on the customs automated system], allow an entry to be presented in any other manner:

Provided further that if the importer makes and subscribes to a declaration before the proper officer, to the effect that he is unable for want of full information to furnish all the particulars of the goods required under this sub-section, the proper officer may, pending the production of such information, permit him, previous to the entry thereof (a) to examine the goods in the presence of an officer of customs, or (b) to deposit the goods in a public warehouse appointed under section 57 without warehousing the same.

(2) Save as otherwise permitted by the proper officer, a bill of entry shall include all the goods mentioned in the bill of lading or other receipt given by the carrier to the consignor.

(3) The importer shall present the bill of entry under sub-section (1) [before the end of the day (including holidays) preceding the day] on which the aircraft or vessel or vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for home consumption or warehousing:

[Provided that the Board may, in such cases as it may deem fit, prescribe different time limits for presentation of the bill of entry, which shall not be later than the end of the day of such arrival:

Provided further that] a bill of entry may be presented at any time not exceeding thirty days prior to the expected arrival of the aircraft or vessel or vehicle by which the goods have been shipped for importation into India:

Provided also that] where the bill of entry is not presented within the time so specified and the proper officer is satisfied that there was no sufficient cause for such delay, the importer shall pay such charges for late presentation of the bill of entry as may be prescribed.

(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, and such other documents relating to the imported goods as may be prescribed.

(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.

(5) If the proper officer is satisfied that the interests of revenue are not prejudicially affected and that there was no fraudulent intention, he may permit substitution of a bill of entry for home consumption for a bill of entry for warehousing or vice versa.

14.5 **Section 111(m): Confiscation of improperly imported goods, etc.** – *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 trans-shipment, with the declaration for trans-shipment referred to in the proviso to sub-section (1) of section 54;

14.6 **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,

14.7 **Section 114A: Penalty for short-levy or non-levy of duty in certain cases–**

Where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the case may be, as determined under sub-section (8) of section 28 shall also be liable to pay a penalty equal to the duty or interest so determined:

Provided that where such duty or interest, as the case may be, as determined under sub-section (8) of section 28, and the interest payable thereon under section 28AA, is paid within thirty days from the date of the communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent of the duty or interest, as the case may be, so determined:

Provided further that the benefit of reduced penalty under the first proviso shall be available subject to the condition that the amount of

penalty so determined has also been paid within the period of thirty days referred to in that proviso:

Provided also that where the duty or interest determined to be payable is reduced or increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then, for the purposes of this section, the duty or interest as reduced or increased, as the case may be, shall be taken into account:

Provided also that in case where the duty or interest determined to be payable is increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then, the benefit of reduced penalty under the first proviso shall be available if the amount of the duty or the interest so increased, along with the interest payable thereon under section 5 [28AA], and twenty-five percent of the consequential increase in penalty have also been paid within thirty days of the communication of the order by which such increase in the duty or interest takes effect :

Provided also that where any penalty has been levied under this section, no penalty shall be levied under section 112 or section 114.

14.8 Section 124 of the Customs Act, 1962

Section 124- Issue of show cause notice before confiscation of goods, etc.—No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person—
(a) is given a notice in writing with the prior approval of the officer of Customs not below the rank of 2[an Assistant Commissioner of Customs], informing] him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;
(b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and
(c) is given a reasonable opportunity of being heard in the matter:

Provided that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned, be oral. 3 [Provided further that notwithstanding the issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.]

14.9 Section 125 of the Customs Act, 1962

Section 125- Option to pay fine in lieu of confiscation.—(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods 4[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:

Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, the provisions of this section shall not apply:

Provided further that], without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.

(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.]

(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.

Explanation.—For removal of doubts, it is hereby declared that in cases where an order under sub-section (1) has been passed before the date on which the Finance Bill, 2018 receives the assent of the President and no appeal is pending against such order as on that date, the option under said sub-section may be exercised within a period of one hundred and twenty days from the date on which such assent is received.]

SUMMARY OF THE APPLICABLE LEGAL PROVISIONS:

15.1 Vide Finance Act, 2011 w.e.f. 08.04.2011 “Self-Assessment” has been introduced under the Customs Act, 1962. Section 17 of the said Act provides for self-assessment of duty on import and export goods by the importer or exporter himself by filing a bill of entry or shipping bill as the case may be, in the electronic form, as per Section 46 or 50 respectively. Thus, under self-assessment, it is the importer or exporter who will ensure that he declares the correct classification, applicable rate of duty, value,

benefit or exemption notification claimed, if any in respect of the imported/exported goods while presenting a Bill of Entry or Shipping Bill.

15.2 In the instant case, it appears that the importer has not exercised due diligence in respect of self-assessing the subject goods on their importation and has thus violated the provisions of the Self-Assessment procedures.

15.3 M/s. Yadav Trading and Company imported Stainless Steel Welded Pipes under the description, 'Curtain Rod'; and under CTI 73259999. However, the consignments actually consisted of SS welded pipes, which in original form, could not be called curtain rods. The importer deliberately refrained from declaring the correct description and classification of goods under CTH 7306, in order to evade the Countervailing Duty applicable on the import of the said goods from China. The importer himself admitted in his statement that he declared and classified the said goods in such manner on seeing other firms' practices and to avoid payment of applicable CVD on the import of the said goods.

15.4 These facts clearly indicate that the said importer was fully aware of the correct description and classification of the goods. However, with a view to circumvent the payment of countervailing duty applicable on the import of SS welded pipes, they deliberately mis-declared and misclassified the imported goods by describing them as 'Curtain Rod' under CTI 7325 9999, instead of correctly declaring the same as 'Stainless Steel Welded Pipes' under CTH 7306.

15.5 In the instant case, the importer by mis-declaring and mis-classifying the goods in such manner has rendered the imported goods liable for confiscation under Section 111(m) of the Customs Act, 1962 and thus, have rendered themselves liable for penalty under Section 112(a) of the Customs Act, 1962.

15.6 The importer had deliberately suppressed the fact that they were, in effect, importing SS welded pipes under the guise of curtain rod. This practice was adopted with the intent to evade the countervailing duty applicable to the import of such goods from China. By reason of such suppression of material facts, the applicable customs duty on the said consignments was not levied at the time of import.

15.7 The importers had deliberately suppressed the fact that they were, in effect, importing SS welded pipes under the guise of curtain rod.

Accordingly, the importer has rendered itself liable to penal action under Section 114A of the Customs Act, 1962, for willful mis-statement and suppression of facts with intent to evade payment of duty.

DUTY CALCULATION:

16.1 From the foregoing discussion, it appears that the said importer has incorrectly declared the SS welded pipes as 'Curtain Rod' under Customs Tariff Item (CTI) 7325 9999. However, the said goods are correctly classifiable under Customs Tariff Heading 7306 and are liable to payment of countervailing duty. The Bills of Entry filed by the importer along with corresponding import documents are annexed to this SCN as **RUD-8.**

16.2 As discussed in the para 9 in the SCN, the live consignment of goods imported by the said importer, i.e. 'SS Welded Pipes' by mis-declaration and mis-classification were put under seizure vide Seizure Memo dated 08.04.2025. The corresponding Bill of Entry was subsequently assessed with the inclusion of CVD and Out of Charge was granted after the payment of the applicable CVD by the importer. The details of the duty payment are again iterated as follows:

Sr. No.	**Warehousing B/E No. & Date**	**W/h to DTA B/E No. & Date**	**Goods Description**	**Ass. (CIF) value of the goods as per W/h to DTA B/E in Rs.**	**CVD payable @ 29.88% in Rs.**	**CVD paid in Rs.**
1.	8706023 dated 05.03.2025	3861694 dated 13.08.2025	Hollow Profile (Rectangular Shape) for Framing	8,88,637/-	2,92,077/-	2,92,077/-
			Curtain Rod	3,32,675/-	1,14,314/-	1,14,314/-
Total				**12,21,312/-**	**4,06,391/-**	**4,06,391/-**

16.3 Further, M/s. Yadav Trading and Company had been importing the same goods, i.e. 'SS Welded Pipes' under the description 'Curtain Rod' & CTI 73259999 in the past, while evading the applicable CVD on the said goods. Thus, a total of 03 Bs/E filed by the importer during the period from 26.07.2024 to 05.03.2025, including the consignment that was seized by DRI and later released on payment of CVD, are covered under the SCN. The CVD calculation, in terms of Notification No. 04/2019-Customs (CVD) dated 17.09.2019 and Notification No. 04/2024-Customs (CVD) dated 10.09.2024, pertaining to the past consignments, except the intercepted B/E no. 8706023 dated 05.03.2025 discussed in para 16.2 above, is as follows:

Sr. No.	Warehousing B/E No. & Date	W/h to DTA B/E No. & Date	Goods Description	Ass. (CIF) value of the goods as per W/h to DTA B/E in Rs.	CVD payable @ 29.88% of CIF value (incl. IGST) in Rs.
1	4701948 dated 26.07.2024	4833658 dated 02.08.2024	Curtain Rod	9,29,192/-	3,27,618/-
2	6245850 dated 21.10.2024	6287812 dated 23.10.2024	Curtain Rod	9,28,850/-	3,27,498/-
Total				**18,58,042/-**	**6,55,116/-**

CULPABILITY AND LIABILITY:

17.1 From the aforesaid, it appears that the said importer had indulged in suppression of facts and had mis-declared the description of the goods imported by them, in the Bills of Entry filed before the Customs at the time of import for assessment and clearance, with an intent to evade payment of applicable Customs Duty. Thus, the Countervailing Duty in terms of Notification No. 04/2019-Customs (CVD) dated 17.09.2019 and Notification No. 04/2024-Customs (CVD) dated 10.09.2024, arising on account on such mis-declaration and mis-classification of goods, is liable to be demanded and recovered from M/s. Yadav Trading and Company as follows:

(a) CVD liability amounting to Rs. 4,06,391/- in respect of goods imported vide B/E Nos. 3861694 dated 13.08.2025 (corresponding Warehousing B/E no. 8706023 dated 05.03.2025) at APSEZ, Mundra, which were placed under seizure vide seizure memo dated 08.04.2025 at Mundra port/APSEZ, Mundra and later released/Out of Charged, by finalizing the provisionally assessed Bill of Entry No. 3861694 dated 13.08.2025 (W/h B/E no. 8706023 dated 05.03.2025).

(b) CVD liability amounting to Rs. 6,55,116/- in respect of goods imported and cleared in the past, i.e. goods not placed under seizure. With respect to the said goods, the duty is required to be demanded and recovered from the importer as per Section 28(4) of the Customs Act, 1962, by invoking the extended period of limitation.

17.2 The interest at the prescribed rate is also liable to be recovered from them in terms of Section 28AA of Customs Act, 1962.

17.3 Furthermore, on account of the duty evasion by such willful mis-statement and suppression of facts, in respect of the past imports for which

duty is being demanded under Section 28(4) of the Customs Act, 1962, they are also liable for penalty under Section 114A of the Customs Act, 1962.

17.4 It further appears that the goods i.e., 'SS Welded Pipes' were imported by resorting to mis-declaration and mis-classification in the Bills of Entry filed under Section 46 of the Customs Act, 1962, before the designated authority of Customs. Thus, the goods imported under the description, 'Curtain Rod' and 'Hollow Profile (Rectangle Shape) for framing' by the said importer, amounting to a total of Rs. 30,79,354/- are liable for confiscation under the provisions of Section 111(m) of the Customs Act, 1962 as per details as follows:

(a) Goods having declared assessable value of Rs. 12,21,312/- detained at Mundra which were placed under seizure vide seizure memo dated 05.04.2025 and later released/out of charged on payment of applicable duties and,

(b) Goods having declared assessable value of Rs. 18,58,042/- imported and cleared in the past, i.e. goods not placed under seizure

17.5 On account of their above said acts of omission and commission, which have rendered the goods liable to confiscation under Section 111(m) of the Customs Act, 1962, the said importer is also liable for penalty under section 112(a) of the Act ibid. Also, since Shri Sandeep Kumar Singh, authorised representative of M/s. Yadav Trading and Company, has been conducting the complete affairs of this firm relating to the imports and customs declaration, he is also liable to penalty under Section 112(a) of the Customs Act, 1962 for his role as discussed in the paras supra.

17.6 Now, therefore, M/s. Yadav Trading and Company (IEC: AVXPY1148B), having its registered office near Ashok Gas Godam, Singhariya, Kuraghat, Gorakhpur - 273008, are hereby called upon to show cause in writing to the Additional Commissioner of Customs, Customs House, Mundra having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421 within 30 (thirty) days from the date of receipt of the notice, as to why:

i. The imported goods valued at **Rs. 30,79,354/- (Rupees Thirty Lakhs Seventy Nine Thousand Three Hundred Fifty Four Only)** which have been cleared and are not physically available, should not

be held liable for confiscation under the provisions of Section 111(m) of the Customs Act, 1962;

ii. Penalty should not be imposed on M/s. Yadav Trading and Company under the provisions of Section 112(a) of the Customs Act, 1962 for acts of commission and omission discussed hereinabove;

iii. In respect of the live intercepted B/E No. 3861694 dated 13.08.2025 (W/h B/E no. 8706023 dated 05.03.2025), countervailing duty amounting to **Rs. 4,06,391/- (Rupees Four Lakhs Six Thousand Three Hundred Ninety One Only)** is liable to be recovered from the importer. Since the amount of Rs. 4,06,391/- has already been paid by the importer before the Out of Charge of the live goods imported, the same should not be appropriated and adjusted against the aforesaid demand towards the countervailing duty. The corresponding provisionally assessed B/E no. 3861694 dated 13.08.2025, should not accordingly be finally assessed in terms of Section 18(2) of the Customs Act, 1962.

iv. In respect of the goods imported in the past (goods not placed under seizure), differential Customs duty (including additional IGST arising on account of such liability) amounting to **Rs. 6,55,116/- (Rupees Six Lakhs Fifty Five Thousand One Hundred Sixteen Only)** should not be demanded and recovered from M/s. Yadav Trading and Company under Section 28(4) of the Customs Act, 1962 along with applicable interest under Section 28AA ibid;

v. Penalty should not be imposed upon M/s. Yadav Trading and Company u/s 114A of the Customs Act, 1962 on account of duty evasion in respect of the past imports as determined above at para 16.3;

vi. Penalty should not be imposed on Shri Sandeep Kumar Singh, the authorised representative of M/s. Yadav Trading and Company under the provisions of Section 112(a) of the Customs Act, 1962 for acts of commission and omission discussed hereinabove;

18. This Show Cause Notice is being issued without prejudice to any other action that may be taken against the Noticees or any other person / party connected with this case, under the Customs Act, 1962 or any other law for the time being in force. The aforesaid Noticees are directed to submit their reply in writing within 30 days of issuance of this notice. In their written

reply, they should specifically mention whether they would like to be heard in person or through their authorized representative, by the adjudicating authority. They should also produce at the time of showing cause, all the evidences upon which they intend to rely in support of their defense. If no cause is shown against the action proposed in this Show Cause Notice within 30 days from the receipt of this Show Cause Notice (or extended period, if allowed) or if they or their representatives do not appear before the adjudicating authority as and when the case is posted for hearing, the case is liable to be decided ex-parte on the basis of facts and evidences available on record.

19. This Show Cause Notice is being issued on the basis of the evidences available on record. The Department reserves the right to add, alter, amend, modify or supplement this notice at any time on the basis of any evidence, material facts related to goods under investigation and any other import/smuggling by the said noticees, which may come to the notice of the Department after issuance of this notice and prior to the adjudication of the case.

20. The Copies of relied upon documents, as mentioned in the Show Cause Notice, are listed in Annexure-R and are enclosed with the Show Cause Notice and also are an integral part of this Show Cause Notice.

Digitally signed by Dipakbhai Zala
Date: 14-09-2026 12:59:36

(**Dipak Zala**)
Additional Commissioner of Customs,
Custom House, Mundra.

To,

M/s. Yadav Trading and Company (IEC: AVXPY1148B),
Near Ashok Gas Godam, Singhariya,
Kuraghat, Gorakhpur - 273008.

Copy to:

1) The Deputy Director, DRI, Ahmedabad Zonal Unit, Unit No. 15, Magnet Corporate Park, Near Sola Flyover, S.G. Highway, Thaltej, Ahmedabad – 380 054
2) The Deputy Commissioner, EDI, Customs Mundra (For uploading on Mundra Customs Website)
3) Office Copy

ANNEXURE-R

LIST OF RECORDS/DOCUMENTS RELIED UPON

RUD No.	Description of Documents/Records
1	Notification No. 4/2019-Customs (CVD) dated 17.09.2019 and Notification No. 04/2024-Customs (CVD) dated 10.09.2024
2	Panchnama dated 05.03.2025 drawn at Seabird CFS, Mundra for the examination of live consignment of imported goods
3	Sample Analysis test Report issued by CECL, Vadodara
4	Sample Analysis test Report issued by CRCL, New Delhi
5	Seizure Memo dated 08.04.2025 issued for the seizure of goods detained at Mundra
5A	Letter dated 06.05.2025 issued by Customs, Mundra for the provisional release of the seized goods
6	B/E No. 8706023 dated 05.03.2025 filed by M/s. Yadav Trading and Company along with import documents
7	Letter of authorisation from the proprietor of M/s. Yadav Trading and Company in favor of Shri Sandeep Kumar Singh
7A	Statement dated 08.04.2025 of Shri Sandeep Kumar Singh, authorised representative of M/s. Yadav Trading and Company
8	Bills of Entry filed by the importer for the import of goods under description as 'Curtain Rod' along with import documents