



प्रधान आयुक्त का कार्यालय, सीमा शुल्क ,अहमदाबाद

“सीमाशुल्क भवन ,”पहली मंजिल ,पुराने हाईकोर्ट के सामने ,नवरंगपुरा ,अहमदाबाद - 380 009.

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DIN: 20260371MN0000364617

PREAMBLE

A	फ़ाइल संख्या/ File No.	:	CUS/SHED/MISC/400/2026-ICD-AHMD-CUS-COMMRTE-AHMEDABAD
B	कारण बताओ नोटिस संख्या-तारीख / Show Cause Notice No. and Date	:	The importer has requested for waiver of SCN & PH
C	मूल आदेश संख्या / Order-In-Original No.	:	OIO No.221/ADC/SR/O&A/2025-26
D	आदेश तिथि / Date of Order-In-Original	:	16.03.2026
E	जारी करनेकी तारीख/ Date of Issue	:	16.03.2026
F	द्वारापारित/ Passed By	:	Shravan Ram, Additional Commissioner, Customs Ahmedabad.
G	आयातक का नाम औरपता / Name and Address of Importer / Passenger	:	M/s. Khushboo Ispat Pvt. Ltd., Survey No. 36, Paiki 3, Ghogha, Bhavnagar, Gujarat - 364110 (IEC: 2408004993)
(1)	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 मंजिल, 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 झूठी 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

M/s. Khushboo Ispat Pvt. Ltd., Survey No. 36, Paiki 3, Ghogha, Bhavnagar, Gujarat - 364110 (IEC: 2408004993) (hereinafter referred to as the 'Importer'), have imported following consignment of metallic Scrap from Vietnam as detailed in Table-A, below and for clearance thereof, filed Bill of Entry detailed in Table-B, below through Customs Brokers mentioned against respective Bill of Entry.

Table-A

Sr. No.	Bill of Lading	Description of goods	Gross Weight (MT)	Invoice
1	TALHMC03080134 dated 02.02.2026	Stainless Steel Scrap Grade 201 for Melting Purpose	101.445 MT	JIN/2167/12.25.01 dated 25.12.2025

Table-B

Sr. No.	B/E No. & date	Qty (MT)	CIF Value (Rs.)	B/E. filed by CB
1	7747345 dated 25.02.2026	101.445 MT	6592041/-	CHA M/s Guru Prakash Enterprise

2. However, before doing goods registration in above Bills of Entry, the Importer approached Customs vide letters dated 23.02.2026 informing that the above consignments have been imported without Pre-shipment Inspection Certificates and requested to have their consignments inspected by an approved Pre-shipment Inspection Agency.

3. Imports into India and exports out of India are regulated by Foreign Trade Policy notified by Government of India under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992, as amended. Procedures to be followed by an exporter or importer or by any Licensing/Regional Authority or by any other authority for purposes of implementing provisions of FT (D&R) Act, and FTP are contained in Handbook of Procedures issued by Director General of Foreign Trade (DGFT) under Para 1.03 of FTP. Further, Para 2.32 of Foreign Trade Policy (FTP for short) read with Para 2.51 of Handbook of Procedures, requires that any consignment of any form of metallic waste or scrap coming to India is subjected to Inspection by a Pre-shipment Inspection Agency, notified for the purpose by Directorate General of Foreign Trade, for confirming that the

consignment does not contain hazardous, toxic waste, radioactive contaminated waste/scrap containing radioactive material, any types of arms, ammunition, mines, shells, live or used cartridge or any other explosive material in any form either used or otherwise. Para 2.32 of FTP and relevant clauses of Para 2.51 of Handbook of Procedures are reproduced below.

Para 2.32 of Foreign Trade Policy:

Import of any form of metallic waste, scrap will be subject to the condition that it will not contain hazardous, toxic waste, radioactive contaminated waste/scrap containing radioactive material, any types of arms, ammunition, mines, shells, live or used cartridge or any other explosive material in any form either used or otherwise as detailed in Para 2.51 of Handbook of Procedures.

Para 2.51 (d) of Handbook of Procedures (which deals with Scrap in un-shredded form)

(d) Import of un-shredded compressed and loose form of metallic waste, scrap shall be subject to the following conditions: -

(i) At the time of the clearance of goods, importer shall furnish to the Customs pre-shipment inspection certificate as per the format in Appendix 2H from any of the Inspection & Certification agencies given in Appendix -2G to the effect that the consignment does not contain any type of arms, ammunition, mines, shells, cartridges, or any other explosive material in any form either used or otherwise, and that the consignment was checked for radiation level and it does not contain radiation level (gamma and neutron) in excess of natural background. The certificate shall give the value of background radiation level at that place as also the maximum radiation level on the scrap.

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4. Therefore, provisions of Para 2.32 of FTP and Para 2.51 (d)(i) of Handbook of Procedures (HBoP) make it clear that any metallic scrap being imported into India is required to be inspected for presence of arms / ammunition and radioactive contaminated waste before shipment into India and the Importer has to produce a certificate in prescribed format (Appendix 2H) confirming these facts. The agencies which can carry out such inspections are notified by DGFT in Appendix G to HBoP.

5. Since, goods covered under Bills of Lading listed in Table A above have been imported into India without the valid PSIC certificates, the impugned goods are liable for confiscation under Section 111(d) of the Customs Act, 1962, for having been imported in contravention of Provisions of Foreign Trade (Development & Regulation) Act, 1992 read with relevant provisions of FTP and HBoP. Further, since the Importer M/s. Khushboo Ispat Pvt. Ltd. Bhavnagar have failed to follow procedure prescribed, under Foreign Trade Policy, for import of metallic scrap, they have rendered the goods liable for confiscation under Section 111 (d) and are thus liable for penalty under Section 112(a)(i) of the Customs Act, 1962.

6. As per request of the Importer vide letters dated 23.02.2026, the goods were allowed to be inspected by PSIA post import and first check examination by Customs was conducted. The consignments have been inspected by PSIA M/s.Seacor International LLC in ICD Khodiyar and as per PSIC dated 07.03.2026 issued by said PSIA the import consignments are, inter alia, found free from arms / ammunition and radiation levels are within normal limits.

(Image of PSIC is as reproduced below)



S.No. IN1120260011

Post-Shipment Inspection Certificate

This post-shipment inspection certificate is issued in terms of paragraph 2.32.2 A of handbook of Procedure (Vol.1) for import of shredded, unshredded, compressed and loose forms of metallic waste and scrap.

We, Seacor International LLC, conducted Post Shipment Inspection at ICD AHMEDABAD(KHODIYAR), MUNDRA, Gujarat & We report as follow:

(1) We Carried Out The Visual Inspection Of light melting scrap at ICD AHMEDABAD(KHODIYAR), MUNDRA Gujarat. We Carried Out The Inspection And Took The Radiation Readings Of The Background With Our Radiation Check Meters. The Details Are As Under:

(a) The import consignment is actually metallic as per the internationally accepted parameters for such a classification.

(b) Details of Importer is as Follows:

(i) Name : KHUHBOO ISPAT PVT LTD
(ii) Address : OFFICE NO-209/210, MADHAV HILL, WAGHAWADI ROAD, BHAVNAGAR, PIN-364001, INDIA
(iii) IEC No. : 2408004993
(iv) Telephone No. : +91 00
(v) E-mail : KHUSBOOALLOYS@GMAIL.COM
(vi) GSTIN : 24AABCH8472P1Z1
(vii) PAN No. : AABCH8472P

(c) Type of Metal : UN-SHREDDED
(d) BL No./BOE: TALHMC03080134/7747345 dt. 25-Feb-2026

(e) Details and Quantity of Import:

Description Of Metallic Scrap	Consignment Quantity in (MTs)
STAINLESS STEEL MELTING SCRAP GRADE 201 HS CODE : 72042190	101.029

S. No.	CONTAINER NO.
1.	SEGU1962409
2.	TLXU2008473
3.	TLXU2025700
4.	TLXU2500098

(f) (i) Country Of Inspection : INDIA
(ii) Place of Inspection : ICD AHMEDABAD(KHODIYAR)
(iii) Date of Inspection : 07.03.2026
(iv) Duration of Inspection (in hours) : 08 hours

(g) The following equipment's have been used for inspecting the consignment.

(i) Make : RADCOMM SYSTEMS CORP
(ii) Model : MSPEC
(iii) Serial No. : 200450
(iv) Last date of calibration : 25/07/2025

1. The consignment does not contain any type of arms, ammunition, mines, shells, cartridges, or any other explosive material in any form, either used or otherwise, and that the consignment was checked for radiation level and it does not have radiation levels (gamma and neutron) in excess of natural background, Following are the values of:-
(i) Background radiation level at the place of examination is 0.08 μ Sv/h.
(ii) Maximum radiation level on the scrap is 0.06 μ Sv/h.

2. We hereby declare that the particulars and statements made in this certificate are true and correct and nothing has been concealed or held there from.



Date of issue: 07.03.2026

Signature:

Name of the Authorized Signatory: Paresh kumar Rameshchandra Chaturvedi

The Customs examination has also found the goods as per declared description. The Importer vide letter dated 11.03.2026 have also provided copy of Sales Contract which, inter alia, mention that the consignment does not contain hazardous; toxic waste,

radioactive contaminated waste/ scrap containing radioactive material, any type of arms, ammunition, mines, shells, live or used cartages or any other explosive material in any form either used or otherwise.

PERSONAL HEARING

7. Importer vide letters dated 11.03.2026 had, inter-alia, conveyed their willingness to pay any penalty / fine and requested for waiver of Show Cause Notice and Personal Hearing. However personal hearing was granted to the Importer on 13.03.2026 which was attended by Shri Piyush Darji, Director, on behalf of M/s. Khushboo Ispat Pvt. Ltd. Bhavnagar. He submitted that they had approached Customs, informing that the consignment of metallic scrap have been imported without Pre Shipment Inspection Certificate. They came to know about this after the goods were loaded that the PSIC certificate could not be issued due to unavailability of nominated surveyors at loading Port.

He further submitted that being a manufacturer importer, they are regularly importing this type of cargo. This time when goods were loaded, PSIC certificate could not be issued due to unavailability of nominated surveyors at loading Port and hence they were left with no option.

In view of this lastly he requested to take a lenient view for this procedural breach and clear the consignment at earliest.

DISCUSSION AND FINDINGS

8.1 I have carefully gone through the facts of the case. I find that M/s. M/s. Khushboo Ispat Pvt. Ltd. Bhavnagar, have imported one consignment of metallic scrap (details as per Table-A) and for custom clearance thereof, 01 Bill of Entry (as detailed in Table-B) have been filed. However, instead of proceeding for customs clearance, the Importer approached Customs, informing that the consignment of metallic scrap have been imported without Pre Shipment Inspection Certificate and that they may be allowed to have the goods inspected by PSIA post import.

8.2 I find that the provisions of Foreign Trade Policy (Para 2.32) read with Handbook of Procedures (Para 2.51) quoted in foregoing paras make it clear that consignments of metallic scrap have to be inspected by a Pre-Shipment Inspection Agency in the country of export itself for confirming that it does not contain hazardous, toxic waste, radioactive contaminated waste/scrap containing radioactive material, any types of arms, ammunition, mines, shells, live or used cartridge or any other explosive material. Para 2.51 (d) (v)(vi) of HBoP makes it more clear, which states "Import consignments of

metallic waste and scrap shall be subject to pre-shipment inspection certificate (PSIC) from the country of origin.

8.3 The importer even though have voluntarily informed the fact of consignments not being accompanied by PSIC and the consignment upon post import inspection at ICD Sanand by PSIA have been found to be free from arms / ammunition / radioactive material, the provisions of Foreign Trade (Development & Regulation) Act, 1992 read FTP and HBoP have been contravened by the Importer by importing of metallic scrap into India without accompanied by valid PSIC. As such, I find that the subject import goods, are liable for confiscation under Section 111(d) of the Customs Act, 1962. The failure to follow procedure prescribed, under Foreign Trade Policy, for import of metallic scrap, is a clear omission on part of the Importer M/s. Khushboo Ispat Pvt. Ltd. Bhavnagar. Therefore, M/s. Khushboo Ispat Pvt. Ltd. Bhavnagar are liable for penalty under Section 112 (a)(i) for having rendered the goods liable for confiscation. However, I find that the Importer did not intend to clear the consignments without prescribed inspection by PSIA and I also find that for this procedural breach the importer had voluntarily informed the fact to Customs Department. The requirement of FTP & HBoP have also been met after completion of post import inspection of goods by PSIA. The Importer vide letters dated 11.03.2026 has also provided copy of Sales Contracts in respect of the impugned consignment which, inter alia, contain the clause that the consignment does not contain hazardous; toxic waste, radioactive contaminated waste/ scrap containing radioactive material, any type of arms, ammunition, mines, shells, live or used cartages or any other explosive material in any form either used or otherwise. In light of these facts I am inclined to be lenient in imposing fine and penalty on the Importer.

9. Accordingly, I pass the following order:

ORDER

- i. I order for confiscation of the impugned goods i.e. 101.445 MTs Stainless Steel Scrap Grade 201 for Melting Purpose valued at Rs. 65,92,041/- sought clearance under Bills of Entry No. 7747345 dated 25.02.2026 (details as per Table-A and B above) under Section 111(d) of the Customs Act, 1962. However, I give the importer an option under provision of Section 125(1) of the Customs Act, 1962, to redeem the said goods on payment of redemption fine of **Rs.35,000/- (Rupees Thirty five Thousand only)**.
- ii. I impose a penalty of **Rs.20,000/- (Rupees Twenty thousand only)** on Importer M/s. Khushboo Ispat Pvt. Ltd., Survey No. 36, Paiki 3, Ghogha, Bhavnagar, Gujarat - 364110 (IEC: 2408004993) under Section 112(a)(i) of the Customs Act, 1962.

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

(Shravan Ram)

Additional Commissioner

F.No. CUS/SHED/MISC/400/2026-ICD-AHMD-CUS-COMMRTE-AHMEDABAD

DIN: **20260371MN0000364617**

Date:16.03.2026

To,
M/s. Khushboo Ispat Pvt. Ltd.,
Survey No. 36, Paiki 3,
Ghogha, Bhavnagar,
Gujarat - 364110
(IEC: 2408004993)

Copy to:

1. The Asst./Dy. Commissioner of Customs (Review Cell), Customs, HQ, Ahmedabad.
2. The Asst./Dy. Commissioner of Customs (EDI/Systems), Customs, HQ, Ahmedabad.
3. The Asst./Dy. Commissioner of Customs, ICD Khodiyar, Ahmedabad.
4. Office Copy.
5. Guard File