	सीमा शुल्क के प्रधान आयुक्त का कार्यालय सीमा शुल्क सदन, मुंद्रा, कच्छ, गुजरात OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS CUSTOMS HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421. **Email-** Group4-mundra@gov.in	
A	**FILE NO./**फ़ाइल संख्या	CUS/APR/INV/415/2026-Gr-4
B	**OIO NO./**आदेश संख्या	MCH/ADC/ZDC/210/2026-27
C	**PASSED BY/**जारीकर्ता	Dipak Zala, ADDITIONAL COMMISSIONER, Customs House, Mundra.
D	**DATE OF ORDER/**आदेश की तारीख	08.07.2026
E	**DATE OF ISSUE/**जारी करने की तिथि	08.07.2026
F	**SCN No. & Date/**कारण बताओ नोटिस क्रमांक	Importer requested for Waiver of PH & SCN vide letter dated 08.06.2026.
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	M/s. Divrick Trading Private Limited (IEC-AALCD5025G), Office 903, Floor 9, Dahanukarwadi Mahalxmi Chs Ltd, Chandavakar Road, Dhanukarwadi, Kandivali West, Mumbai Suburban, Maharashtra-400067.

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

2. यदि कोई व्यक्ति इस आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते परअपील कर सकताहै-
   Any person aggrieved by this Order - in - Original may file an appeal under Section 128A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

"सीमाशुल्कआयुक्त (अपील (मुंद्रा),

चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,

नवरंगपुरा,अहमदाबाद 380 009"

"THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA

HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN ROAD,

NAVRANGPURA, AHMEDABAD-380 009."

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

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

(i) उक्त अपील की एक प्रति और A copy of the appeal, and

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

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

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

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

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

BRIEF FACTS OF THE CASE

On the basis of specific information received from DRI/GZU vide letter dated 16.01.2026 the goods imported by M/s Divrick Trading Private Limited (IEC-AALCD5025G), having its registered office at Office 903, Floor 9, Dahanukarwadi Mahalxmi Chs Ltd, Chandavakar Road Dhanukarwadi, Kandivali West, Mumbai, Mumbai Suburban, Maharashtra-400067 (hereinafter referred to as "the Importer" for sake of brevity) at Mundra Port vide Z-Bill of Entry No. 6849066 dated 12.01.2026 was put on hold by this office for examination and further investigation. The examination of the above said consignment was carried out by the officers of SIIB along with DRI/GZU Officers on 29.01.2026 in the presence of the importer's authorized representative under Panchnama dated 29.01.2026 drawn at the premises of M/s Shivansh Terminals LLP, APSEZ, Mundra (Kachchh). Further, Shri Gadhavi Savraj Mudaji has informed that the Bill of Entry bearing No. 6849066 dated 12.01.2026, originally filed as Z-Type, was subsequently converted into Bill of Entry No. 6849066 dated 14.01.2026 under T-Type. The details of the goods as declared in the said Bill of Entry are as follows:

Table-I

Sr. No.	BE no. /date	Container No.	Goods declared	
			HSN	Items
1	6849066 dated 12.01.2026	BMOU6364233 & KMTU9451404	73044100	Stainless Steel Seamless Pipes Grade 304 (7, 8, 10,12) (OD (MM) 193.7, 219.1, 273, 323.8, 355.6)

2. <u>Weighment and Examination of the goods:</u>

The officer of SIIB along with DRI/GZU officers, conducted the examination of the impugned goods stuffed into the container no. BMOU6364233 & KMTU9451404 covered under the Z-Bill of Entry No. 6849066 dated 12.01.2026 under Panchnama dated 29.01.2026. Before examination the weighment of the cargo was cross checked with weighment slip provided by the SEZ unit. The details of the weighment of the goods are as follows:

<u>Table-II</u>

Sr. N.	Bill of Entry no. and Date	Container No.	B/L weight (Kg)	Cargo Weight as per SEZ Unit weighment slip (Kg)
1	6849066 dated 12.01.2026 (Z type)	BMOU6364233	56592	27950
		KMTU9451404		28180

2.1. The seals of the containers were verified from import documents and found intact. Then the seals of the containers were cut by the help of labourer. During the course of examination of the impugned goods, after complete de-stuffing, 49

Bundles of SS Pipes were found. The complete details of the goods found during examination are as below:

Table-III

Details of Container No. BMOU6364233:

BE NO. 6849066 dated 12.01.2026			**Container No. BMOU6364233**
Sr. No.	**No. of Bales**	**No. of pipes**	**Outer Dimensions in MM**
1	1	12	114
2	1	7	89
3	1	10	89
4	1	14	73
5	1	8	114
6	1	7	114
7	1	18	94
8	1	36	75
9	1	22	89
10	1	15	114
11	1	40	33
12	1	35	34
13	1	9	89
14	1	14	73
15	1	6	89
16	1	10	114
17	1	6	114
18	1	6	89
19	1	16	73
20	1	19	89
21	1	10	114
22	1	19	89
23	1	45	24
24	1	10	114
25	1	26	73
Total	**25**	**420**	

Table-IV

Details of Container No. KMTU9451404:

BE NO. 6849066 dated 12.01.2026			**Container No. KMTU9451404**
Sr. no.	**No. of Bales**	**No. of pipes**	**Outer Dimensions in MM**
1	1	25	90
2	1	14	89
3	1	14	89

4	1	12	89
5	1	12	113
6	1	11	103
7	1	10	114
8	1	12	115
9	1	17	103
10	1	8	114
11	1	14	102
12	1	25	99
13	1	11	89
14	1	16	102
15	1	12	124
16	1	21	60
17	1	12	88
18	1	82	34
19	1	7	114
20	1	8	114
21	1	22	102
22	1	12	125
23	1	35	53
24	1	14	118
Total	**24**	**426**	

Further, on examination of the goods, the officer prima facie noticed that the goods were mis-declared by the importer in respect of size of the goods. The importer has declared the goods as Stainless Steel Seamless Pipes Grade 304 of outer diameter size of equal to or more than 193.7 mm in the BE. The grade of the goods is verified from the help of PMI (Positive Material Identification) test and the same is found as declared in BE. However, the goods on examination in both containers appears in between the size of 24 mm to 125 mm and the same falls under purview of the ADD as per Notification No. 31/2022-Customs (ADD) dated 20.12.2022.

3. Classification of the Goods:

The importer has declared 02 items in the said BE i.e. Stainless-Steel Seamless Pipes Grade 304 of different size. However, during the course of examination, the goods were found mis-declared in terms of size of outer diameter. On verification of the goods, it appears that the declared CTH of the goods is correct as per description, however, the importer has mis-declared the size of outer diameter of the goods.

3.1. Calculation of the Quantity:

The importer has declared total quantity of the goods as 56543 KGS. However, on the examination of the goods the Gross weight of Cargo comes 56130 KGS including weight of packing material. The declared weight of the goods varies approx. 1 % as from the declared weight. Accordingly, it appears that the importer has declared correct quantity/weighment of the goods.

3.2. Re-determined description of Goods:

The importer has declared 02 items in the said BE i.e. Stainless-Steel Seamless Pipes Grade 304 of different size. However, during the course of examination, the goods were found mis-declared in terms of size of outer diameter. On the examination the size of the goods found in range between 24 mm to 125 mm. Accordingly the re-determined description along with quantity of the goods is as below:

Table-V

Sr. No.	Declared Description	Re-determined Description	Quantity of the goods in KGS
1	Stainless Steel Seamless Pipes Grade 304 (7, 8, 10) (OD (MM) 193.7, 219.1, 273, 323.8, 355.6)	Stainless Steel Seamless Pipes Grade 304 OD in Range between 24 mm to 125 mm	56543

Valuation of the Goods:

4. Further, as goods found during examination in the subject Bill of Entry were mis-declared in terms of size of outer diameter. Therefore, value of the goods needs to be determined.

4.1. Rejection of declared value & Redetermination of Assessable Value:

The Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "*the CVR, 2007*") provides the method of valuation. The Rule 3(1) of the CVR, 2007 provides that "Subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10. The Rule 3(4) ibid states that "if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007". Whereas, it appears that, transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Whereas, it further appears that, there is a reasonable doubt regarding the truth

and accuracy of the value declared by the importer, and hence it appears liable to be rejected in terms of Rule 12 of the CVR, 2007.

4.2. For the purpose of Customs Tariff Act, 1975, valuation of imported goods is to be done in terms of Section 14 of the Customs Act, 1962 read with the customs Valuation (Determination of value of imported goods) Rules, 2007. As per provisions of Act/rules, transaction value of the goods is to be accepted, subject to Rule 12 of Customs Valuation (Determination of value of imported goods) Rules, 2007. Prima Facie, on examination of contemporary import of the said goods, is to be determined under rule 12 of the CVR and the said value is required to be re-determined by subsequently proceeding in terms of Rule 4 to 7 or 9 of CVR, 2007.

4.3. In terms of Rule 4 ibid, transaction value of identical goods has to be considered as the value of the imported goods at or about the same thing as the goods being valued. Term 'Identical goods' as defined under Rule I(d) of CVR, 2007, means imported goods which are same in all respect, including physical characteristics, quality and reputation, as the goods being valued except for minor differences in appearance that do not affect the value of the goods. In addition, in terms of Rule 5 ibid, the term 'Similar goods' as defined under Rule 2 (I)(d) of CVR, 2007 includes comparison of the impugned goods with goods although not like in all respects, having like characteristics end like components making theirs have the same functions and to be interchangeable commercially. In the instant case, contemporary data was perused for ascertaining the value of the goods based on contemporaneous price of the similar goods under rule 5 of CVR, 2007.

4.4. The importer has declared 02 types of goods of same description and size goods with the value of Rs. 213.38 per KGS. However, in the contemporary data the value of similar imported goods ranges between Rs. 189.63-233.62 per KGS. From which it appears that the declared value is different from the contemporary data.

4.5. Proceeding sequentially, it is stipulated under Rule 6 ibid that where the value is not determinable under Rule 3, 4 and 5, the value is to be determined under Rule 7 or when the value cannot be determined under that Rule, under Rule 8. Whereas, Rule 7 provides for 'Deductive Value' i.e. the value is to be determined on the basis of valuation of identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions stipulated under the rule. Whereas, for the reasons detailed above, the values also cannot be determined as per the said Rule 7 ibid. Likewise, for application of Rule 8 of the CVR, 2007, the cost of production or processing involved in the imported goods are not available. In the absence of requisite data, the value cannot be determined by taking recourse to these rules either.

4.6. Whereas, it appears that, the provisions of Rule 4 to 8 ibid, are not applicable in the instant case, the value of the impugned goods is required to be determined under the provisions of Rule 9 of the CVR 2007, which reads as under: -

> *"Rule 9: Residual method – (1) Subject to the provisions of Rule 3, where the value of the imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India:"*

4.7. Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. ABJ:INSP:CE:MUN:SIIB:NY:SHIVANSH:26-27:02 dated 20.05.2026 wherein, he has reported the value of the cargo as tabulated below:

Table-VI

Sr. no.	Item	Quantity found on examination in KGS	Unit	Suggestive value per KGS in USD	Suggestive Present CIF value in USD	Suggestive Present CIF value in INR (1 USD= 90.8 INR)
1	Stainless Steel Seamless Pipes Grade 304 OD in Range between 24 mm to 125 mm	56543	Kgs	2.36	133441.48	12116486
Total					**133441.48**	**1,21,16,486/-**

4.8. The importer has declared the assessable value of the goods as Rs. 1,20,65,145/- in the BE. However, the declared value in the Z-Bill of Entry No. 6849066 dated 12.01.2026 is liable to be rejected as the goods found mis-declared in terms of size of outer diameter as per Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 1,21,16,486/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

5. Importability and Policy Compliance:

5.1. The goods found during the examination are freely importable after paying of applicable Customs Duty. However, the goods "Stainless Steel Seamless Pipes Grade 304 OD in Range between 24 mm to 125 mm" falls under purview of ADD as per ADD Notification No. 31/2022-Customs (ADD) dated 20.12.2022. The relevant extract of said notification is as below:

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, the 20th December, 2022

No. 31/2022-Customs (ADD)

G.S.R.890(E)*-Whereas in the matter of 'Stainless-Steel Seamless Tubes and Pipes' (hereinafter referred to as the subject goods) falling under chapter heading 7304 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in, or exported from China PR (hereinafter referred to as the subject country), and imported into India, the designated authority in its final findings, vide notification No. 6/13/2021-DGTR, dated the 23rd September, 2022, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 23rd September, 2022, read with corrigendum notification No. of even number, dated 30th September, 2022, has come to the conclusion that—*

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

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

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

and has recommended imposition of an anti-dumping duty on the imports of subject goods, originating in, or exported from the subject countries and imported into India, in order to remove injury to the domestic industry.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act read with rules 18, 20 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table

below, falling under heading of the First Schedule to the Customs Tariff Act as specified in the corresponding entries in column (2), originating in the countries as specified in the corresponding entries in column (4), exported from the countries as specified in the corresponding entries in column (5), produced by the producers as specified in the corresponding entries in column (6), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entries in column (7), in the currency as specified in the corresponding entries in column (9) and as per unit of measurement as specified in the corresponding entries in column (8), of the said Table, namely:-

TABLE

S. No.	***Heading***	***Description of subject goods***	***Country of origin***	***Country of export***	***Producer***	***Amount***	***Unit***	***Currency***
(1)	***(2)***	***(3)***	***(4)***	***(5)***	***(6)***	***(7)***	***(8)***	***(9)***
1.	*7304*	*Stainless-Steel Seamless*	*China PR*	*Any country includi*	*Zhejiang Bangnuo Steel*	*114*	*MT*	*USD*
2.	*7304*	*Stainless-Steel Seamless Tubes and Pipes***	*China PR*	*Any country including China PR*	*Zhejiang HongQuan Stainless Steel Co., Ltd. and Zhejiang Yinlong*	*886*	*MT*	*USD*
3.	*7304*	*Stainless-Steel Seamless*	*China PR*	*Any country includi*	*Wenzhou Sodo Stainless*	*1,492*	*MT*	*USD*
4.	*7304*	*Stainless-Steel Seamless Tubes*	*China PR*	*Any country including*	*Zhejiang Huatian Stainless Steel*	*1,005*	*MT*	*USD*
5.	*7304*	*Stainless-Steel Seamless*	*China PR*	*Any country includi*	*Zhejiang Yi Jia Wang*	*3,191*	*MT*	*USD*

6.	*7304*	*Stainless-Steel Seamless*	*China PR*	*Any country includi*	*Zhejiang Jiuli Hi-Tech*	*Nil*	*MT*	*USD*
7.	*7304*	*Stainless-Steel Seamless Tubes and Pipes***	*China PR*	*Any country including China PR*	*Huadi Steel Group Co., Ltd.*	*Nil*	*MT*	*USD*
8.	*7304*	*Stainless-Steel Seamless Tubes and Pipes***	*China PR*	*Any country including China PR*	*Jiangsu Wujin Stainless Steel Pipe Group Co., Ltd.*	*Nil*	*MT*	*USD*
9.	*7304*	*Stainless-Steel Seamless Tubes and Pipes***	*China PR*	*Any country including China PR*	*Zhejiang Tsingshan Steel Pipe Co., Ltd.*	*Nil*	*MT*	*USD*
10.	*7304*	*Stainless-Steel Seamless Tubes and Pipes***	*China PR*	*Any*	*Any producer other than serial number 1 to 9*	*3,801*	*MT*	*USD*
11.	*7304*	*Stainless-Steel Seamless Tubes and Pipes***	*Any country Other than China PR*	*China PR*	*Any*	*3,801*	*MT*	*USD*

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

2. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date

of publication of this notification in the Official Gazette, and shall be payable in Indian currency.

Explanation. - For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Act.

5.2. The importer has imported the impugned goods from the supplier Ningbo Weilai Alloy Material Co. Ltd., China which was nowhere mentioned in the above table. Accordingly, the goods are liable for ADD as per Sr. No. 10 of above table i.e. USD 3801/MT.

6. Re-determination of Applicable Duty:

On the basis of re-determined value of the goods in above Table-VI, duty leviable on goods imported vide B/E No. 6849066 dated 12.01.2026 is being re-calculated. The re-calculated leviable duty is as under: -

Table-VII

Sr. no.	Item Description	Total Qty found during examination	Unit	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 10%	SWS @ 10%	ADD @ 3801 USD/MT	IGST @ 18%	Total applicable Duty in Rs.
1	Stainless Steel Seamless Pipes Grade 304 OD in Range between 24 mm to 125 mm	56543	Kgs	12116486	1211649	1,21,165/-	1,95,14,731/-	59,33,526/-	2,67,81,070
Total				**12116486**	**12,11,649/-**	**1,21,165/-**	**1,95,14,731/-**	**5933526**	**2,67,81,070/-**

The total re-determined value of the goods comes to Rs. 1,21,16,486/- and the total re-determined duty for the said goods comes to Rs. 2,67,81,070/- instead

of the declared duty for the same i.e. Rs. 37,37,783/-. The differential duty of said releasable goods comes to Rs. 2,30,43,287/-.

7. Seizure of the goods:

From the above discussion, it is evident that the importer M/s Divrick Trading Private Limited has tried to import Stainless Steel Seamless Pipes Grade 304 OD in Range between 24 mm to 125 mm by mis-declaring the size of outer diameter to evade applicable ADD as per Notification No. 31/2022-Customs (ADD) dated 20.12.2022. Therefore, the said goods were placed under seizure vide Seizure Memo dated 11.03.2026 by the Officer of SIIB. The seized goods were handed over to Manager of M/s. Shivansh Terminal LLP, Mundra vide Supratnama dated 11.03.2026.

8. Summons and Statements recorded during the investigation:

8.1. Summons dated 17.03.2026, 13.04.2026 and 23.04.2026 were issued to the importer M/s Divrick Trading Private Limited for tendering the statement under Section 108 of the Customs Act, 1962. However, the importer did not appear before this office for tendering statement. In all of their responses, the importer has replied vide emails that he is out of country and cannot return to India due to middle east war situation. He also submitted for waiver of SCN and PH and requested for re-export of the goods.

8.2. Statement of Shri Mukesh Madhavji Bhanushali, Partner of M/s Shivansh Terminals LLP, was recorded on 21.05.2026, wherein he inter alia admitted/submitted as under:

- On being asked, he submitted that he is one of the three designated partners in M/s Shivansh Terminals LLP, situated at APSEZ, Mundra and that the firm provides logistics and warehousing services to various importers. He further stated that the warehouse unit is operating under LOA issued by APSEZ, Mundra.
- On being asked to explain the business of the firm, he stated that the scope of services includes import customs clearance, inward handling/receiving, storage, inventory control and stock administration and that the firm raises charges for such services and has valid GST registration.
- On being asked regarding his presence during examination of the imported goods covered under the Bills of Entry, he stated that he was present at the warehouse during examination conducted by Customs officers and that he became aware that summons had been issued to the importer M/s Divrick Trading Pvt. Ltd. and its director.
- On being asked regarding filing of Bills of Entry, he stated that the Bills of Entry were filed by M/s Divrick Trading Pvt. Ltd. along with the supporting

import documents and that the importers themselves provided the import documents for filing before Customs.

- On being asked regarding the Panchnama dated 29.01.2026 drawn at the warehouse premises, he admitted that the Panchnama was drawn at their unit and that he was already in possession of a copy of the same.
- On being asked regarding the goods found to be mis-declared in terms of description, quantity and classification, he stated that the declaration in the Bills of Entry was made on the basis of documents furnished by the importer and that their firm only provided warehousing/logistics services and filed documents based on import documents received from the importer.
- On being asked regarding the relationship with M/s Divrick Trading Pvt. Ltd., he stated that he came in contact with Shri Ritesh Malik, Director of M/s Divrick Trading Pvt. Ltd., around four to five years ago in connection with business enquiries related to import and export of goods and that they entered into a warehousing agreement about one and a half years ago.
- On being asked whether he had physically verified the premises/office address of the importer, he admitted that he had physically verified the premises/office address of M/s Divrick Trading Pvt. Ltd.
- On being asked regarding the summons issued to the importer, he stated that despite several summons issued to the importer, no person from M/s Divrick Trading Pvt. Ltd. had appeared before Customs and that Shri Ritesh Malik was presently in Dubai and due to the ongoing war situation was unable to return to India.
- On being asked whether he wished to state anything further, he stated that the Bills of Entry were filed on the basis of import documents provided by M/s Divrick Trading Pvt. Ltd.; that their role was limited to providing warehousing and logistics services; that after examination, the importer requested re-export of the seized goods to the original supplier.

9. Outcome of the Investigation:

The investigation conducted by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra, based on the special intelligence, revealed significant irregularities in the import consignment of M/s. Divrick Trading Private Limited, Office 903, Floor 9, Dahanukarwadi Mahalxmi Chs Ltd, Chandavakar Road Dhanukarwadi, Kandivali West, Mumbai, Mumbai Suburban, Maharashtra-400067 (IEC: AALCD5025G), under Z-Bill of Entry No. 6849066 dated 12.01.2026, covering container BMOU6364233 & KMTU9451404. The examination conducted on 29.01.2026, which uncovered deliberate mis-declaration, undervaluation indicating an intent to evade Customs duties and violate import regulations. The outcomes of the investigation are as follows:

9.1. Examination of the Goods:

The officer of SIIB section, CH Mundra, along with officers of DRI/GZU conducted the examination of the impugned goods stuffed into the container no. BMOU6364233 & KMTU9451404 covered under the Z-Bill of Entry No. 6849066 dated 12.01.2026 under Panchnama dated 29.01.2026. During the course of examination of the impugned goods, after complete de-stuffing, 49 Bundles were found. Further, on examination of the goods, the officer prima facie noticed that the goods are mis declared in terms of size of outer diameter.

9.2. Classification of the Goods:

The importer has declared 02 items in the said BE i.e. Stainless-Steel Seamless Pipes Grade 304 of different size. However, during the course of examination, the goods were found mis-declared in terms of size of outer diameter. On verification of the goods, it appears that though the classification under CTH 73044100 appears correct, the actual diameter of the imported goods was found different from the declared dimensions.

9.3. Valuation of the Goods:

Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. ABJ:INSP:CE:MUN:SIIB:NY:SHIVANSH:26-27:02 dated 20.05.2026. It appears that, the assessable value of Rs. 1,20,65,145/- declared by the importer in the Z-Bill of Entry No. 6849066 dated 12.01.2026 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 1,21,16,486/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

9.4. Re-determination of Duty:

The total re-determined value of the goods releasable for Home Consumption comes to Rs. 1,21,16,486/- and the total re-determined Duty for the said releasable goods comes to Rs. 2,67,81,070/- instead of the declared duty for the same i.e. Rs. 37,37,783/-. The differential duty of said goods comes to Rs. 2,30,43,287/-.

9.5. Importability and Policy Compliance:

The goods found during the examination are freely importable after paying of applicable Customs Duty. However, the goods "Stainless Steel Seamless Pipes Grade 304 OD in Range between 24 mm to 125 mm" falls under purview of ADD as per ADD Notification No. 31/2022-Customs (ADD) dated 20.12.2022.

9.6. <u>Confiscation of Goods and Penal Action:</u>

In view of the above, it is evident that the importer, M/s. Divrick Trading Private Limited, has imported the goods covered under Bill of Entry No. 6849066 dated 12.01.2026 by the way of mis-declaration in terms of size of the outer diameter. Therefore, the goods imported under Bill of Entry No. 6849066 dated 12.01.2026 are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962. The importer's actions indicate an intent to evade customs duty, violating Section 46(4) of the Customs Act, 1962 (false declaration in Bill of Entry). Consequently, the importer is liable for penalties under Sections 112(a)(ii) and 114AA of the Customs Act, 1962, for knowingly submitting false documents and attempting to evade duties.

10. <u>RELEVANT LEGAL PROVISIONS</u>:

(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:

2. Definitions.— In this Act, unless the context otherwise requires,—

.....

(o) "**import"** means—

(i) bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise; or

(ii) receiving goods, or services by a Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;

Section 21: Single enforcement officer or agency for notified offences. —

1. *The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*

2. *The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.*

3. *Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure*

as is provided under the relevant Central Act in respect of the notified offences.

Section 22: Investigation, inspection, search or seizure. —

The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the investigation, inspection, search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:

Provided that no investigation, inspection, search or seizure shall be carried out in a Special Economic Zone by any agency or officer other than those referred to in sub- section (2) or sub-section (3) of section 21 without prior approval of the Development Commissioner concerned:

Provided further that any officer or agency, if so authorised by the Central Government, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit without prior intimation or approval of the Development Commissioner

Notification Nos. 2665(E) and 2667(E) dated 05.08.2016:

1. *In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government by Notification No. 2667(E) dated 05.08.2016 issued by the Ministry of Commerce & Industry, has authorized the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned. Under Section 21(1) of the SEZ Act, 2005, the Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
2. *The Central Government, by the Notification 2665(E) dated 05.08.2016 has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111, 113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.*

47 (5) *Refund, Demand, Adjudication, Review and Appeal with regard to matters relating to authorise operations under Special Economic Zones Act, 2005,*

transactions, and goods and services related thereto, shall be made by the Jurisdictional Customs and Central Excise Authorities in accordance with the relevant provisions contained in the Customs Act, 1962, Central Excise Act, 1944, and the Finance Act, 1994 and the rules made thereunder or the notifications issued thereunder.

(B) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

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

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

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

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

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

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

Section 17. Assessment of duty. *–*

(1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

..

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

Section 46. Entry of goods on importation:

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

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

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

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

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

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

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

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

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

Any person,-

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

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

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

shall be liable,-

i. *in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty [not exceeding the value of the goods or five thousand rupees, whichever is the greater;*

ii. *in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:*

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

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

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

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

……..

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

"Rule 5. Transaction value of similar goods . *- (1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value*

of similar goods sold for export to India and imported at or about the same time as the goods being valued:

Provided that ……..

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

Rule 7. Deductive value.- *(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -*

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

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

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

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

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

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

Rule 8. Computed value.-

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

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

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

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

Rule 9. Residual method:-

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

Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.

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

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

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

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

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

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

***Rule 12. Rejection of declared value**. - (1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, he may ask the importer of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such importer, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such*

imported goods cannot be determined under the provisions of sub-rule (1) of rule 3.

11. In view of the above facts and discussion, it appears that –

i. The declared description along with size of the goods and no. of items found during examination imported vide Z-Bill of Entry No. 6849066 dated 12.01.2026, filed by the Importer M/s. Divrick Trading Private Limited, are liable to be rejected and the same needs to be re-determined as per above discussion.

ii. The total declared assessable value of Rs. 1,20,65,145/- for the goods under Z-Bill of Entry No. 6849066 dated 12.01.2026 is liable to be rejected and re-determined as Rs. 1,21,16,486/- under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, read with Section 14 of the Customs Act, 1962.

iii. The Bill of Entry no. 6849066 dated 12.01.2026 need to be re-assessed under Section 17(4) of The Customs Act, 1962.

iv. The goods imported vide Bill of Entry no. 6849066 dated 12.01.2026 having re-determined value of Rs. 1,21,16,486/- are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

v. The importer, M/s. Divrick Trading Private Limited (IEC: AALCD5025G), is liable for penalties under Sections 112(a)(ii), and 114AA of the Customs Act, 1962.

12. The importer vide letter dated 30.04.2026 has requested for waiver of SCN and PH in the instant case with a request for re-export of the goods. Further, the CE report was shared with the importer, which the importer accepted vide email dated 25.05.2026. Accordingly, necessary adjudication proceeding/action may be initiated in respect of the said Bill of Entry as per the Customs Act, 1962. Further, the concerned group may ask SCN/PH waiver letter at their end. Outcome of the recoveries made may please be intimated to this office.

13. Importer vide letter dated 08.06.2026 submitted that the goods covered under Container Nos. BMOU6364233, KMTU9451404 and BMOU6364233, KMTU9451404 were imported due to an inadvertent error on the part of the supplier, who mistakenly loaded goods other than those ordered by us.

The imported goods are not required for the business operations and have no commercial utility. The supplier has acknowledged the error and agreed to take

back the goods at the country of origin. In view of the above, permission may kindly be granted for re-export of the goods to the supplier at the earliest. It is further requested that the issuance of a Show Cause Notice and conduct of Personal Hearing may be waived. The importer is willing to comply with all conditions imposed by the department and to pay any applicable fine, penalty, or charges as may be determined by the competent authority.

DISCUSSION AND FINDINGS

14. I have carefully gone through the records of the case, investigation report dated 29.05.2026 and the applicable provisions of law. The importer i.e M/s. Divrick Trading Private Limited vide letter dated 08.06.2026 requested for waiver of Show Cause Notice and Personal hearing. Now, I proceed to decide the case on the basis of documentary evidence available on records, statutory provisions and judicial precedents. I find that the following issues arise for determination in this adjudication: -

(i) Whether the declared description and no of items mentioned in the Bill of Entry No. 6849066 dated 12.01.2026 is liable for rejection or otherwise;

(ii) Whether the declared value of the goods imported under Bill of Entry No. 6849066 dated 12.01.2026, i.e. **Rs. 1,20,65,145/-** is liable for rejection under Rule 12 of the CVR, 2007 and required to be re-determination as **Rs. 1,21,16,486/-** in terms of Rule 9 of CVR, 2007**.**

(iii) Whether the impugned goods are liable for confiscation under Section 111 (l) and 111(m) of the Customs Act, 1962 as applicable or otherwise;

(iv) Whether the importer is liable to penalty under Section 112 (a)(ii) and 114AA of the Customs Act, 1962.

15. After having identified and framed the main issues to be decided, I now proceed to deal with each of the issues individually for analysis in light of facts, submissions, circumstances of the case, provisions of the Customs Act, 1962 and nuances of various judicial pronouncements.

16. Regarding the first issue of the case, I find that M/s. Divrick Trading Private Limited has filed Bill of Entry no. 6849066 dated 12.01.2026 at APSEZ for clearance of “Stainless Steel Seamless Pipes Grade 304” as detailed in Table-I above. On the basis of specific information received from DRI/GZU, the subject consignment was put on hold by SIIB, Mundra for examination and further investigation. The goods were examined by the officer of SIIB along with DRI/GZU, Mundra on 29.01.2026 at the premises of M/s. Shivansh Terminals LLP, Adani Port & SEZ, Mundra in the presence of authorised representative of the importer under panchnama dated 29.01.2026.

16.1 I noticed that during the course of examination, the gross weight of the cargo was found to be 56,130 Kgs, including the weight of the packing material, whereas it was declared as 56,592 Kgs in the Bill of Lading. During destuffing, 49 bundles of SS pipes were found. The importer has declared the goods as Stainless Steel Seamless Pipes, Grade 304, having an outer diameter equal to or more than 193.7 mm in the Bill of Entry. The grade of the goods was verified with the help of a PMI (Positive Material Identification) test and was found to be as declared in the Bill of Entry.

However, upon examination of the goods in both containers, the outer diameter was found to be in the range of 24 mm to 125 mm, which falls within the purview of Anti-Dumping Duty (ADD) as per Notification No. 31/2022-Customs (ADD) dated 20.12.2022. On verification, it appears that the declared CTH of the goods is correct as per the description; however, the importer has mis-declared the outer diameter of the goods. Therefore, I hold that the quantity and item description declared by the importer are liable to be rejected, and the same are required to be re-determined as per **Table-V** above.

17. Regarding the second issue of the case, I find that the imported goods were found to be mis-declared in terms of size of outer diameter. As a result, declared CIF values of goods in the said import cannot be considered as the values that truly or correctly represent the goods actually imported. Therefore, there are enough reasons to believe that the declared values do not represent the actual transaction value and, consequently, liable for rejection in terms of Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

17.1 I find that the transaction value of the items, sought to be imported under the impugned bill of entry, cannot be determined under the provisions of sub-rule (1) of Rule 3 of the rules ibid and the correct value needs to be ascertained and arrived at by proceeding sequentially in accordance with Rules 4 to 9 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

17.2 I observed that the in terms of Rule 4 ibid, transaction value of identical goods has to be considered as the value of the imported goods at or about the same thing as the goods being valued. Term 'Identical goods' as defined under Rule I(d) of CVR, 2007, means imported goods which are same in all respect, including physical characteristics, quality and reputation, as the goods being valued except for minor differences in appearance that do not affect the value of the goods. In addition, in terms of Rule 5 ibid, the term 'Similar goods' as defined under Rule 2 (I)(d) of CVR, 2007 includes comparison of the impugned goods with goods although not like in all respects, having like characteristics end like components making theirs have the same functions and to be interchangeable commercially. In the instant case, contemporary data was perused for

ascertaining the value of the goods based on contemporaneous price of the similar goods under rule 5 of CVR, 2007. The importer has declared 02 types of goods of same description and size goods with the value of Rs. 213.38 per KGS. However, in the contemporary data the value of similar imported goods ranges between Rs. 189.63-233.62 per KGS. From which it appears that the declared value is different from the contemporary data.

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

17.4 I noticed that the impugned goods were inspected by Shri Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer who submitted his valuation report vide reference no. ABJ:INSP:CE:MUN:SIIB:NY:SHIVANSH:26-27:02 dated 20.05.2026 has suggested the valuation of the imported goods as **Rs. 1,21,16,486/- (Rupees One Crore Twenty-One Lakh Sixteen Thousand Four Hundred and Eighty-Six only)** whereas importer declared as Rs. 1,20,65,145/-. By considering the value as determined by Chartered Engineer, assessable value of the subject goods is required to be re-determined under Section 14 of the Customs Act, 1962.

17.5 I noted that the goods found during the examination are freely importable after paying of applicable Customs Duty. However, the goods “Stainless Steel Seamless Pipes Grade 304 OD in Range between 24 mm to 125 mm” falls under purview of ADD as per ADD Notification No. 31/2022-Customs (ADD) dated 20.12.2022. The importer has imported the impugned goods from the supplier Ningbo Weilai Alloy Material Co. Ltd., China which was nowhere mentioned in the table of ADD Notification. Accordingly, the goods are liable for ADD as per Sr. No. 10 of above table i.e. USD 3801/MT. The total re-determined value of the goods comes to Rs. 1,21,16,486/- and the total re-determined duty for the said goods comes to Rs. 2,67,81,070/- instead of the declared duty for the same i.e. Rs.

37,37,783/-. The differential duty of said goods comes to **Rs. 2,30,43,287/- (AS Per Table- VII).**

17.6 Therefore, I conclude that investigation report has rightly proposed re-determination of assessable value under the provision of rule 9 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and the differential duty to the tune of **Rs. 2,30,43,287/- (Rupees Two Crore Thirty Lakh Forty-Three Thousand Two Hundred and Eighty-Seven only)** are recoverable from the importer in terms of Section 14 and Section 17(4) of the Customs Act, 1962.

18. Regarding the third issue of the case in respect of confiscation, I find that the Noticee has violated Sub-Section (4) and 4(A) of Section 46 of the Customs Act as they have mis-declared and mis-classified the imported goods. I find that the Noticee was required to comply with Section 46 which mandates that the importer filing the Bill of Entry must make true and correct declarations and ensure the following:

(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.

18.1. I find that the Show Cause Notice propose confiscation of goods under the provisions of Section 111(l) and 111 (m) of the Customs Act, 1962. The same is re-produced herein below:

> 111(l): "*any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77";*
>
> *111 (m): "any goods which do not correspond in respect of value or in any other particular with the entry made under this Act, shall be liable to confiscation."*

18.2. I find that the impugned goods were declared as "Stainless-Steel Seamless Pipe Grade 304 (OD (MM) 193.7, 219.1, 273, 323.8, 355.6", whereas on examination, the outer diameter of goods were found to be in range between 24 mm to 125 mm. Further, the importer has declared total quantity of the goods as 56543 KGS. However, on the examination of the goods the Gross weight of Cargo comes 56130 KGS including weight of packing material. In this instant case,

importer failed to furnish the correct information such as item description, quantity and valuation hence, contravened the provisions of Section 46 of the Customs Act, 1962. I observed that these acts of omission and commission on the part of the importer rendered the goods liable for confiscation under the provisions of Section 111(l) and 111(m) of the Customs Act, 1962.

19. I find that it is clear from the provision that penalty under Section 112(a)(ii) can be imposed in cases where the acts or omissions of the importer/noticee renders the goods liable for confiscation under Section 111 of the Act. From the discussions so far, I find that the evidences clearly indicating mis-declaration in terms of description and quantity on their part in respect of the imported goods warranting imposition of penalty under Section 112 (a) (ii) as the fact of mis-declaration, mis-classification and under-valuation was known to the assessee and not the department on the grounds of self-assessment. Therefore, penalty imposition on importer under Section 112(a)(ii) of the Customs Act, 1962 is correct and sustainable in law.

19.1 I find that the Investigating Agency proposed imposition of penalty on the Importer u/s. 114AA of the Customs Act, 1962. I find that despite being well aware of the nature of the imported goods, importer, consciously mis-declared the description, quantity and valuation of the goods which found to be incorrect during the course of investigation. These acts of omission and commission on the part of the importer made the provisions of Section 114AA invokable. Therefore, I agree with the proposal of imposition of penalty on the importer u/s. 114AA *ibid*.

20. In view of the above facts of the case and findings on record, I pass the following order: -

ORDER

(i) I order to reject declared description and quantity of the goods as mentioned in Table-I above; under Bill of Entry No. 6849066 dated 12.01.2026 and order to redetermine the same as per Table-V;

(ii) I reject the declared assessable value of the goods in Bill of entry no. 6849066 dated 12.01.2026 i.e. **Rs. 1,20,65,145/- (Rupees One Crore Twenty Lakh Sixty-Five Thousand One Hundred and Forty-Five only)** under Rule 12 of CVR, 2007 and order to re-determine the same as **Rs. 1,21,16,486/- (Rupees One Crore Twenty-One Lakh Sixteen Thousand Four Hundred and Eighty-Six only)** in terms of Rule 9 of the CVR, 2007 read with section 14 of Customs Act, 1962.

(iii) I order to re-assess the Bill of entry no. 6849066 dated 12.01.2026 on the basis of revised valuation and quantity (as per Table No.-VII hereinabove). I order to recover the re-determined duty arrived on re-assessment of bill of entry along with applicable interest.

(iv) I order to confiscate the impugned goods having re-determined value of **Rs. 1,21,16,486/- (Rupees One Crore Twenty-One Lakh Sixteen Thousand Four Hundred and Eighty-Six only**) under Section 111(l) & 111(m) of the Customs Act 1962; However, I give an option to the importer to redeem the goods for re-export only on payment of Redemption Fine of **Rs.12,00,000/- (Rupees Twelve Lakh only)** under the provisions of section 125 of the said Act ibid.

(v) I impose penalty of **Rs. 23,00,000/- (Rupees Twenty-Three Lakh only)** on the importer i.e. M/s. Divrick Trading Private Limited under Section 112 (a)(ii) of the Customs Act, 1962.

(vi) I impose penalty of **Rs.1,00,000/- (Rupees One Lakh only)** on the importer i.e. M/s. Divrick Trading Private Limited under Section 114AA of the Customs Act, 1962.

21. This order is issued without prejudice to any other action which may be contemplated against the importer or any other person under provisions of the Customs Act, 1962 and rules/regulations framed thereunder or any other law for the time being in force in the Republic of India.

Digitally signed by Dipakbhai Zala
Date: 08-07-2026 15:58:05

Dipak Zala,
Additional Commissioner,
Custom House, Mundra.

By Speed Post/Regd. Post/E-mail/Hand Delivery

CUS/APR/INV/415/2026-Gr-4

To,

M/s Divrick Trading Private Limited,
Office 903, Floor 9, Dahanukarwadi Mahalxmi Chs Ltd,
Chandavakar Road Dhanukarwadi, Kandivali West,
Mumbai, Mumbai Suburban, Maharashtra-400067.

Copy to:

1. The DC/AC, RRA/SIIB/TRC/EDI, Mundra Customs.
2. Notice Board/Guard File.