

		<p>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा  <b>OFFICE OF THE PRINCIPAL COMMISSIONER,  CUSTOM HOUSE, MUNDRA</b>  Port User Building (PUB), Mundra (Gujarat –  370421)  ई-मेल/ E-Mail: group4-mundra@gov.in</p>
<b>A</b>	फा .सं / .FILE NO.	<b>CUS/APR/ASS/202/2026-Gr 4-O/o Pr Commr-Cus-Mundra</b>
<b>B</b>	मूल आदेश सं. ORDER-IN-ORIGINAL NO.	MCH/ADC/ZDC/632/2025-26
<b>C</b>	द्वारा पारित किया गया PASSED BY	Dipak Zala Additional Commissioner of Customs Custom House, Mundra
<b>D</b>	आदेश की तिथि DATE OF ORDER	11-02-2026
<b>E</b>	जारी करने की तिथि DATE OF ISSUE	11-02-2026
<b>F</b>	कारण बताओ नोटिस सं. एवं तिथि SCN NUMBER & DATE	IMPORTER REQUESTED FOR WAIVER in PH & SCN vide submission on 22.01.2026
<b>G</b>	नोटिसीपार्टी // आयातकNOTICEE/ PARTY/ IMPORTER	M/s Torrent Alloys & Fittings Inc. (IEC: AAWFT0189P) Building no. F4, Gala No. 1, Jayraj Kharbhav, Vasai Road, Kalwar Bhiwandi-421302
<b>H</b>	डिन सं .DIN NUMBER	<b>20260271MO0000417102</b>

1. यह अपील आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।

This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 129A(1) के अंतर्गत प्रपत्र सीए3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

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

**“सीमा शुल्क आयुक्त) अपील(, चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद 380009”**

**“The Commissioner of Customs (Appeals), Mundra, 4<sup>TH</sup> Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009.”**

3. उक्त अपील यह आदेश भेजने की दिनांक से साठ 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 accompanied by –

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।

The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paise only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

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

7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. 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 (Appeals) 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 CASE:**

As per Investigation Report No. 210/2025-26 dated 07.01.2026, issued by SIIB Section, Customs House Mundra, M/s Torrent Alloys & Fittings Inc. (IEC:AAWFT0189P) situated at Building no. F4, Gala No. 1, Jayraj Kharbhav, Vasai Road, Kalwar Bhiwandi-421302 ('Importer' for the sake of brevity) have filed Bill of Entry No. 5194428 dated 18.10.2025 for import of purportedly said to be Carbon Steel Galvanized Stock Lot Pipe Fittings (HS Code: 73079310) through Customs Broker- M/s S. M. Enterprise (ABKPJ5436ECH001) at Mundra Port.

2. Based on the intelligence, the consignment covered under Bill of entry no. 5194428 dated 18.10.2025 was put on hold for SIIB examination. The goods arrived at the premises of M/s. All Cargo CFS, Mundra, and were found placed near the Warehouse No. 2 & Shutter No. 1 of the CFS. It is noted that the container bearing No. AXIU1604167 and seal No. 03793 were verified by the docks officer and found intact. Thereafter, the seal cutting permission has been granted by the docks officers on 27.10.2025. However, the intelligence has been received regarding possible mis-declaration in the said import consignment. Therefore, the import consignment was put on hold for SIIB examination on 31.10.2025. Thereafter, the physical examination of the goods imported under the said Bill of Entry was carried out on 01.11.2025, in the presence of 1) Shri Ashok Giri, Operations Manager, M/s. All Cargo , Mundra; and 2) Shri Sagarbhai Rabari, H-Card Holder (CHM/H/13/2022-23), Authorised Representative of CB and the importer, M/s. Torrent Alloys & Fittings Inc.

3. On reaching the CFS, the goods found already de-stuffed near the Warehouse No. 2 & Shutter No. 1 of the CFS. Thereafter the goods were 100% examined under the provisions of Section 17(2) of the Customs Act, 1962 in the presence of both representatives and it is noted that the imported goods consists of various types of pipe fittings/shapes which are stuffed inside wooden pallets. Thereafter, with the help of labour provided by Shri Ashok Giri, Operations Manager, M/s. All Cargo, Mundra, the goods were segregated according to their shape and type on 12.11.2025. Further, the PMI test also done on the imported goods with the help of metal gun. **As per the PMI test report, grade of the goods stuffed in 04 pallets (13 pcs) are found SS303.** The details of the goods found during examination and declared by the importer in the said BE are as under:-

S NO.	BE No. & Container Number	Description of goods declared in the BE	Goods found during examination	No. of pallets declared in BE	No. of pallets found during Examination
1	5194428 dated 18.10.2025	Carbon Steel Galvanized Stock Lot Pipe Fittings- CTH 73079310	Pipes of various sizes, Pipe fittings, Various sizes and round shape fittings SS303	24	20 4(13 PCS)
Total				24	24

4. On verification of the weighment slip provided by the representative of M/s. All Cargo, the total gross weight of the consignment was found to be 26,430 Kgs as against the declared gross weight of 27,372.58 Kgs, reflecting a shortfall.

5. **Classification as per PMI Test result:-**

5.1. Whereas, the importer has declared the description of the imported goods as 'Carbon Steel Galvanized Stock Lot Pipe Fittings'. In order to ascertain the composition of the metals, PMI Test has been done on the goods with metal gun. As per the PMI Test, out of total 24 Pallets, 04 Pallets (total 13 PCs)(in KGs 890 KG) are found as SS 303 and not carbon steel as per PMI Test result. The PMI test result on these 13 PCs packed in 04 pallets are:-

Goods description	Fe	Si	Cr	Ni	Mn	Al	Co	Cu
SS303 Se	69.00	3.10	17.87	7.30	1.32	0.57	0.25	0.17

The PMI composition confirms that the goods are not galvanized carbon steel, but SS303 stainless steel.

5.2. **Metallurgical Interpretation:-**

- Chromium around **17-18%** and Nickel around **3%** indicate a **300-series**

**stainless steel.**

- Carbon steel or galvanized steel would not show Cr or Ni at these levels.
- No zinc (Zn) peak is visible in the PMI — therefore, **goods are not galvanized.**
- The PMI gun used does not show the presence of **Sulphur (S)**; however, the absence of S in PMI test does *not* rule out SS303-type free-machining stainless steel.

Accordingly, the PMI results **completely rule out carbon steel** and confirm that the material is **SS303 stainless steel**.

5.3. **Correlation of PMI With Physical Examination:-** During examination of the disputed 13 pieces:

- The goods were found to be short, straight, hollow, cylindrical components, and not long-length pipe sections meant for conveyance of fluids.
- The goods are couplings, which are fittings used to connect two pipes in a straight line.
- The ends of the components are bevelled, indicating that the goods are designed for butt-welding.
- The machining marks, finish and non-standard length of the goods further confirm that the items are pipe fittings and not pipes or tubes.
- The products are of various sizes.

Therefore, the physical form, geometry and end preparation of the goods, when read together with the PMI test results, clearly establish that the impugned goods are stainless steel couplings of butt-weld type, classifiable as pipe fittings.

5.4. **PMI composition:** Chromium approximately 17%, Nickel approximately 3%, with Iron as the balance, which is characteristic of 300-series stainless steel, consistent with SS-303 grade.

- Physical appearance: The goods are short, straight, hollow cylindrical components with machined surfaces and bevelled ends, indicating that they are designed for butt-welding.
- Surface characteristics: No presence of zinc was detected in the PMI test, thereby ruling out galvanized carbon steel.
- Nature of goods: The items are not long-length pipes or tubes meant for conveyance of fluids, and therefore do not merit classification under CTH 7304 or 7306.

Thus, based on the metallurgical composition, physical form, and end preparation, the goods satisfy the tariff description of “Tube or pipe fittings ... of stainless steel” under Heading 7307 of Chapter 73.

5.5. **Correct Tariff Classification:-** As per the First Schedule to the Customs Tariff Act, 1975:

- Heading 7307 covers “*Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel.*”
- Sub-heading 7307 23 00 covers “*Butt-welding fittings, of stainless steel.*”

The goods examined in 04 pallets (13 pieces) are stainless steel couplings of grade SS-303, having bevelled ends, which is a recognised technical feature of butt-weld type pipe fittings. The goods are therefore correctly classifiable under **CTH 7307 23 00** – stocklots of Butt-welding fittings, of stainless steel. The classification declared by the importer under CTH **7307 93 10** (applicable to pipe fittings of carbon steel/other than stainless steel) is incorrect and amounts to mis-declaration of both material composition and tariff classification.

6. As regards, the classification of the remaining 20 pallets (25460 KGs), the PMI test result shows that:-

Goods description	Fe	Si	Mn	Al	S	Co	Cu	Zn
C-1117	96.26	1.05	1.24	0.60	0.26	0.12	0.10	0.09
Goods description	Fe	Si	Zn	Mn	Al	Cr	Co	Mo
C-6150	80.86	0.36	17.48	0.84	0.31	0.12	0.03	0.00

**PMI Reading — Sample C-1117 :-** Interpretation based on the PMI test is:-

- High Fe (>96%) confirms carbon steel.
- No Cr or Ni → not stainless steel.
- Presence of zinc on surface → galvanized material.
- Composition matches free-machining carbon steel with galvanizing.

**PMI Reading — Sample C-61509:-** Interpretation based on the PMI test is:-

- Very high Zn (~17.5%) indicates the PMI gun hit the galvanized coating directly.
- Reduced Fe (~80%) is typical when the XRF beam detects surface Zn layer.
- Cr at 0.12% and no Ni → confirms the goods are NOT stainless steel.
- This reading is fully consistent with hot-dip galvanized **carbon steel** fittings.

6.1. **Metallurgical Conclusion for 20 Pallets:-** Based on the PMI readings obtained from representative samples of the 20 pallets, the goods are conclusively identified as carbon steel components and not stainless steel. The

presence of significant zinc content in both samples confirms that the goods are galvanized, consistent with a zinc-coated carbon steel product. The absence of Chromium and Nickel—elements characteristic of stainless-steel grades—further substantiates that the goods are not made of stainless steel. The overall elemental profiles align with the composition of galvanized carbon steel pipe fittings, thereby confirming that the goods in these 20 pallets correspond to the importer's declared description as Carbon Steel Galvanized Stock lot Pipe Fittings under CTH 73079310.

**7. Rejection of transaction value of the imported goods and determination of the value of the import goods i.e. the goods found mis-declared (13 PCs in 04 Pallets)**

7.1. Since during examination, the goods stuffed in 04 Pallets (total 13 PCs) imported vide B/E No. 5194428 dated 18.10.2025, were found mis-declared in terms of description and classification, hence, total value declared by the importer does not include the SS303 products, therefore, the total CIF value of the consignment declared by the importer does not appear to be the true transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the Customs Valuation (determination of Value of Imported Goods) Rules, 2007 and thus the same appear liable to be rejected in terms of Rule 12 of CVR, 2007. The value is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of CVR, 2007.

7.2. As mentioned above, the declared assessable value of the goods i.e. Rs. 18,31,317/- of Bill of Entry No. 5194428 dated 18.10.2025 cannot be considered as assessable value of the goods and hence the same is liable to be rejected under Rule 12 of Customs Valuation Rules 2007 as there has been misdeclaration in terms of description and classification. In absence of credible data of import of similar/identical goods, description and other constraints, the value of these goods cannot be determined in terms of Rule 4,5,6,7,8 of Customs Valuation Rules 2007. Hence the value is to be determined in terms of Rule 9 of said rules.

7.3. Therefore, opinion of the empanelled Chartered Engineer was sought for determination of the value of the imported goods. The Chartered Engineer vide his Report No. ABJ:INSP:CE:SIIB:HJ:25-26:01 dated 21.11.2025 [**RUD-1**] has suggested the **C&F value** of the imported goods as USD 21,142, as against the importer's declared C&F value of USD 20,416.50.

It is noted that in the said Bill of Entry, the importer has shown insurance @ 1.125% of the declared C&F value, i.e., USD 229.69, resulting in a declared CIF value of USD 20,646.19. Applying the same insurance to the C&F

value determined by the Chartered Engineer:

- Revised C&F value (as per CE): **USD 21,142.00**
- Insurance @ 1.125%: **USD 229.69**
- **Revised CIF value: USD 21,371.69**

On being converted at the applicable exchange rate, the revised assessable value works out to **Rs. 18,95,669/-**, in place of the importer's declared value of **Rs. 18,31,317/-**. Thus, the value declared by the importer is not correct and the duty levied under self assessment by the importer is also not correct.

## **8. LEGAL PROVISIONS:**

### **CUSTOMS ACT, 1962**

8.1 As per **Section (25)** of the Customs Act, 1962 "**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;

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

8.3. As per 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;*

8.4. **Section 17(4) – Customs Act, 1962 (As amended by the Finance Act, 2011)**

*“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 re-assess the duty leviable on such goods.”*

8.5. **SECTION 46** of the Act, prescribes that the importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed.

8.6. Further, **Section 111** of the Act, prescribes the Confiscation of improperly imported goods, etc. as under

The following goods brought from a place outside India shall be liable for 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 transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54.*

.....

8.7. **Further, Section 112** of the Act provides the penal provisions for improper importation of goods, etc. which read as under:

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:*

**Provided** that where such duty 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 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 penalty so determined;]

*(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees], whichever is the greater;*

*(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest;*

*(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.*

**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.*

8.8. **SECTION 124** prescribes the mandatory issuance of show cause notice before confiscation of goods, which read as under:

*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 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.*

**Provided** further that notwithstanding 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.

9. The facts relating to mis-declaration in respect of the 04 pallets (13 pieces)—including incorrect classification and the revised valuation determined by the Chartered Engineer—were communicated to the importer vide email dated 04.12.2025 (**RUD-2**). In response, the importer, vide email dated 09.12.2025 (**RUD-3**), stated that they accept the revised classification of the goods found to be SS303 stainless-steel fittings based on the PMI results. They have also accepted the valuation determined by the Chartered Engineer for the said goods.

9.1. **Further**, in the email dated 09.12.2025, the importer submitted that the mis-declaration occurred due to an error on the part of their foreign supplier. They stated that they had sought clarification from the supplier, who acknowledged having inadvertently shipped the stainless-steel items in place of the declared galvanized carbon steel fittings. The importer has submitted copies of this correspondence for reference.

The importer further stated that they had no intention to mis-declare, and the mistake originated entirely at the supplier's end. They expressed willingness to accept the enhanced classification and valuation, and requested that the Bill of Entry be allowed to be amended so that they may pay the differential duty. **They also stated that they do not want any Show Cause Notice or Personal Hearing (PH) in the matter.**

## **10. OUTCOME OF THE INVESTIGATION:**

10.1. With the introduction of Self-Assessment through the Finance Act, 2011, the responsibility to make true, complete and correct declarations in Bills of Entry rests entirely upon the importer. As per Section 46(4) of the Customs Act, 1962, the importer is statutorily required to declare the truth of the contents of the Bills of Entry submitted for assessment and payment of appropriate Customs duty. Further, in terms of Section 2(33) of the Customs Act, 1962, "*prohibited goods*" means any goods the import of which is subject to any prohibition under the Customs Act or any other law for the time being in force, including notifications issued under the Foreign Trade (Development and Regulation) Act, 1992.

10.2. As detailed in the foregoing analysis, the goods contained in 04 pallets

(13 pieces) of the consignment covered under B/E No. 5194428 dated 18.10.2025, declared as “Carbon Steel Galvanized Stock Lot Pipe Fittings” under CTH 7307 93 10, were found to be mis-declared. The PMI test results and physical examination established that the said goods are in fact “Butt-welding fittings, of stainless steel”, correctly classifiable under CTH 7307 23 00.

10.3. It is further noticed that the aforesaid stainless steel goods contained in 04 pallets (13 pieces) fall under the category of steel items covered by the Steel Import Monitoring System (SIMS), for which prior registration is mandatory in terms of DGFT Notification No. 17/2015–20 dated 05.09.2017, as amended, issued under the Foreign Trade (Development and Regulation) Act, 1992.

It is observed that the importer did not obtain SIMS registration prior to import of the said stainless steel goods. Since SIMS registration is a mandatory pre-import requirement prescribed under the aforesaid DGFT notification, import of the said goods without such registration amounts to import in contravention of the provisions of law for the time being in force, namely the FTDR Act, 1992 read with the relevant DGFT notification.

Accordingly, the mis-declared stainless steel goods contained in 04 pallets (13 pieces), having been imported without compliance with the mandatory SIMS requirement, are liable to be treated as goods imported in contravention of law, and hence fall within the ambit of “prohibited goods” as defined under Section 2(33) of the Customs Act, 1962.

10.4. In respect of valuation:

- 20 pallets (25,460 kgs) were assessed by the Chartered Engineer at the declared value of USD 0.75 per KG.
- 04 pallets (13 pieces, 890 kgs) were assessed at USD 2.30 per KG.
- CIF value of 20 Pallets of declared goods: USD 19,268.4 (Rs. 17,13,411/-)
- Duty liability on 20 pallets classifiable under CTH 73079310 (BCD 10%, SWS 10%, IGST 18%)- Rs. 5,30,815/-

Accordingly, the value and duty liability of the mis-declared goods which are classifiable under CTH 7307 23 00 works out to:

- C&F value: USD 2,047.00
- CIF value: USD 2,054.76 (Rs. 1,82,257/-)
- Duty liability (BCD 10%, SWS 10%, IGST 18%)- Rs. 56,463/-

The total re-determined CIF value of the consignment works out to Rs.

18,95,669/-, as against the declared value of Rs. 18,31,317/-. The duty payable declared by the importer in the said BE is Rs. 5,67,342/- whereas, the actual duty liability is Rs. 5,87,278/-.

10.5. In view of the above, the goods contained in 04 pallets (13 pieces, 890 kgs) are liable to confiscation under Section 111(d) — being prohibited goods imported in contravention of DGFT notification mandating SIMS; Section 111(l) — for contravention of statutory requirements relating to filing of Bill of Entry and Section 111(m) — for mis-declaration of description, classification and value.

Further, the remaining 20 pallets, though appearing to be correctly described when viewed in isolation, form an integral part of the same Bill of Entry which is vitiated by mis-declaration of description, classification and value in respect of a portion of the consignment. Consequently, the entire Bill of Entry is rendered incorrect and unreliable, thereby attracting confiscation of the said goods under Section 111(m) of the Customs Act, 1962.

10.6. Since the mis-declared stainless-steel goods imported without SIMS registration are treated as prohibited goods, the importer is liable to penalty under Section 112(a)(i) of the Customs Act, 1962. Further, the importer is also liable to penalty under Section 112(a)(ii) for acts of omission and commission resulting in improper importation of goods liable to confiscation.

Also, as the importer submitted import documents such as invoice and packing list which did not reflect the true and correct description of the goods, thereby making false declarations in material particulars, they are also liable to penalty under Section 114AA of the Customs Act, 1962.

### **11. Waiver of SCN and Personal Hearing:**

Importer vide letter dated 22.01.2026 stated they had no intention to mis-declare, and the mistake originated entirely at the supplier's end. They expressed willingness to accept the enhanced classification and valuation, and requested that the Bill of Entry be allowed to be amended so that they may pay the differential duty. **They also stated that they do not want any Show Cause Notice or Personal Hearing (PH) in the matter.**

### **12. DISCUSSION AND FINDINGS:**

I have carefully gone through the records of the case, investigation report dated 07.01.2026, Valuation report by empanelled Chartered Engineer and the applicable provisions of law. The importer, M/s. Torrent Alloys & Fittings Inc, vide letter dated 07.01.2026 has requested for waiver of Show Cause Notice and

Personal hearing. Thus, the principles of Natural justice as provided in Section 122a of the Customs Act, 1962 have been complied with and I proceed to decide the case on the basis of documentary evidence available on records. The issues to be decided by me are:

- i. Whether the declared description of “Carbon Steel Galvanized Stock Lot Pipe Fittings” and the declared classification under CTH 7307 93 10 in respect of 13 pieces contained in 04 pallets (890 kgs) imported vide Bill of Entry No. 5194428 dated 18.10.2025 is incorrect and liable to be rejected. The said goods are correctly classifiable as “Butt-welding fittings, of stainless steel” under CTH 7307 23 00. The remaining 20 pallets (25,460 kgs) of the consignment are found to be correctly described and classified as declared by the importer.
- ii. Whether the aforesaid stainless steel goods contained in 04 pallets (13 pieces) were imported without obtaining mandatory prior registration under the Steel Import Monitoring System (SIMS) as required under DGFT Notification No. 17/2015-20 dated 05.09.2017, as amended, issued under the Foreign Trade (Development and Regulation) Act, 1992.
- iii. Whether owing to mis-declaration of material composition, description, classification and value in respect of the said 04 pallets (13 pieces), the declared transaction value of Rs. 18,31,317/- is liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and the value is required to be re-determined under Rule 9 of the said Rules. Accordingly, the re-determined assessable value of the consignment works out to Rs. 18,95,669/-.
- iv. Whether the self-assessment carried out by the importer is liable to be rejected, and the said Bill of Entry is required to be re-assessed under Section 17(4) of the Customs Act, 1962, in view of the findings at points (i) to (iii) above.
- v. Whether the mis-declared stainless steel goods contained in 04 pallets (13 pieces, 890 kgs) having re-determined assessable value (CIF) as Rs. 1,82,257/-, having been imported in contravention of the provisions of the Foreign Trade (Development and Regulation) Act, 1992 read with DGFT Notification No. 17/2015-20, and having been mis-declared in respect of description, classification and value, are liable to confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962.
- vi. Whether the remaining 20 pallets (25,460 kgs) of goods are liable to confiscation under Section 111(m) of the Customs Act, 1962.
- vii. Whether the importer is liable to penalty under Section 112(a)(i) of the Customs Act, 1962 in respect of the aforesaid mis-declared goods contained in 04 pallets (13 pieces) [Assessable Value Rs. 1,82,257/- and duty Rs. 56,463/-], as the same were imported without valid SIMS registration.
- viii. Whether in respect of the remaining 20 pallets (25,460 kgs) [Assessable Value Rs. 17,13,411/- and duty Rs. 5,30,815/-], by acts of omission and commission leading to improper importation of goods liable to confiscation, the importer is also liable to penalty under Section 112(a)(ii) of the Customs Act, 1962.
- ix. Whether as the importer submitted import documents such as invoice and packing list which did not contain the true and correct description of the goods, thereby making false declarations in material particulars, the importer is also liable to penalty under Section 114AA of the Customs Act, 1962.

13. Regarding the first issue, I find during the examination of the goods, as per the PMI test report, grade of the goods stuffed in 04 pallets (13 pcs) are found SS303. Whereas, the importer has declared the description of the imported goods as 'Carbon Steel Galvanized Stock Lot Pipe Fittings'. In order to ascertain the composition of the metals, PMI Test has been done on the goods with metal gun. As per the PMI Test, out of total 24 Pallets, 04 Pallets (total 13 PCs)(in KGs 890 KG) are found as SS 303 and not carbon steel as per PMI Test result. PMI test result of those 13 pieces packed in 04 pallets are:-

Goods Description	Fe	Si	Cr	Ni	Mn	Al	Co	Cu
SS303	69.00	3.10	17.87	7.30	1.32	0.57	0.25	0.17

The PMI composition confirms that the goods are not galvanized carbon steel, but SS303 stainless steel.

Metallurgical Interpretation:-

- Chromium around 17–18% and Nickel around 3% indicate a 300-series stainless steel.
- Carbon steel or galvanized steel would not show Cr or Ni at these levels.
- No zinc (Zn) peak is visible in the PMI — therefore, goods are not galvanized.
- The PMI gun used does not show the presence of Sulphur (S); however, the absence of Sulphur in PMI test does not rule out SS303-type free-machining stainless steel.

Accordingly, the PMI results completely rule out carbon steel and confirm that the material is SS303 stainless steel. Therefore, the physical form, geometry and end preparation of the goods, when read together with the PMI test results, clearly establish that the impugned goods are stainless steel couplings of butt-weld type, classifiable as pipe fittings.

Thus, based on the metallurgical composition, physical form, and end preparation, the goods satisfy the tariff description of "Tube or pipe fittings ... of stainless steel" under Heading 7307 of Chapter 73.

**Correct Tariff Classification:-** As per the First Schedule to the Customs Tariff Act, 1975: Heading 7307 covers "Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel." Sub-heading 7307 23 00 covers "Butt-welding fittings, of stainless steel."

In view of the above, I find that the declared description of "Carbon Steel Galvanized Stock Lot Pipe Fittings" and the declared classification under CTH 7307 93 10 in respect of 13 pieces contained in 04 pallets (890 kgs) imported vide Bill of Entry No. 5194428 dated 18.10.2025 is incorrect and liable to be rejected. The said goods are correctly classifiable as "Butt-welding fittings, of stainless steel" under CTH 7307 23 00. The remaining 20 pallets (25,460 kgs) of the consignment are correctly described and classified as declared by the

importer.

14. Regarding the second issue, for stainless steel goods contained in 04 pallets (13 pieces) were imported without obtaining mandatory prior registration under the Steel Import Monitoring System (SIMS) as required under DGFT Notification No. 17/2015–20 dated 05.09.2017, as amended, issued under the Foreign Trade (Development and Regulation) Act, 1992. In this respect, I find that at the time of import, importer has not produced the correct SIMS and the mis-declared goods were imported without a valid SIMS. However, as per Importer's submission that they had no intention to mis-declare and the mistake originated entirely at the supplier's end, they have submitted revised SIMS dated 21.01.2026 vide SIMS No. MOSSIMS210126423105 and MOSSIMS210126423106.

15. regarding the third issue, I find that M/s Torrent Alloys & Fittings Inc, vide Bill of Entry No. 5194428 dated 18.10.2025, attempted to clear goods i.e. Carbon steel Galvanized Stock lot Pipe Fittings. During the examination of the goods, as per the PMI test report, grade of the goods stuffed in 04 pallets (13 pcs) are found SS303. Whereas, the importer has declared the description of the imported goods as 'Carbon Steel Galvanized Stock Lot Pipe Fittings'. In order to ascertain the composition of the metals, PMI Test has been done on the goods with metal gun. As per the PMI Test, out of total 24 Pallets, 04 Pallets (total 13 PCs)(in KGs 890 KG) are found as SS 303 and not carbon steel as per PMI Test result. Further, I find that inconsistency observed in filing of the Bill of Entry suggests deliberate Undervaluation of the goods. The declared value of the goods is liable to be determined in terms of Rule 12. As the imported goods were found in different variety, description, specification and quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data extracted with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value could not be determined under Rules 4 and 5 of CVR, 2007.

12. 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. 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.

13. Hence, valuation of the goods is to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid*. Accordingly, the Chartered Engineer was appointed for valuation of the goods. The Chartered Engineer vide his report ref no. ABJ:INSP:CE:SIIB:HJ:25-26:01 dated 21.11.2025 has suggested the valuation of the imported goods. The chartered engineer, empanelled by the government, determined the fair value of the goods to be Rs. 18,95,669/- (Rs. Eighteen Lakh Ninety Five Thousand Six Hundred Sixty Nine only) in contrast to the declared assessable value as Rs. 18,31,317/-. In view of above, the declared value of the goods, i.e. Rs. 18,31,317/-, is liable to be rejected and the same needs to be re-determined as Rs. 18,95,669/- as discussed above.

14. Regarding the fourth issue, the self-assessment done by the importer is liable to be rejected and the BE needs to be re-assessed with differential duty of Rs. 19,936/- under Section 17(4) of the Customs Act, 1962. I find that from the above discussion, it is evident that the importer has undervalued/mis-classified the imported goods to evade payment of duties and taxes by. As per valuation done by the Chartered Engineer, empanelled by the Government, the fair value of the goods amounts to be Rs. 18,95,669/- in contrast to the declared assessable value as Rs. 18,31,317/-, resulting in the duty difference of Rs. 19,936/-. The duty liability for the imported goods as per re-determined value is ascertained. Therefore, I find that the self assessment done by importer is liable for rejection and re-assessment of the Bill of Entry should be done under Section 17(4) of the Customs Act, 1962.

15. Regarding the fifth and Sixth issue, I find that goods contained in 04 pallets (13 pieces) are mis-declared. Goods were declared under CTH 73079310, whereas goods are appropriately classifiable under CTH 73072300 and the aforesaid stainless steel goods fall under the category of steel items covered by the Steel Import Monitoring System (SIMS), for

which prior registration is mandatory in terms of DGFT Notification No. 17/2015-20 dated 05.09.2017, as amended, issued under the Foreign Trade (Development and Regulation) Act, 1992. It is observed that the importer did not obtain SIMS registration prior to import of the said stainless steel goods. Since SIMS registration is a mandatory pre-import requirement prescribed under the aforesaid DGFT notification, import of the said goods without such registration amounts to import in contravention of the provisions of law for the time being in force, namely the FTDR Act, 1992 read with the relevant DGFT notification. Accordingly, the mis-declared stainless steel goods contained in 04 pallets (13 pieces), having been imported without compliance with the mandatory SIMS requirement, are liable to be treated as goods imported in contravention of law, and hence fall within the ambit of "prohibited goods" as defined under Section 2(33) of the Customs Act, 1962, and are liable for confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962. In addition to the above, I find that in respect of the remaining 20 pallets (25,460 kgs) [Assessable Value Rs. 17,13,411/- and duty Rs. 5,30,815/-], appearing to be correctly described in respect of description, value, grades. Even the Chartered Engineer has found the value of the said goods to be correct. Therefore, I find the imported goods in remaining 20 pallets (25,460 kgs) [Assessable Value Rs. 17,13,411/- and duty Rs. 5,30,815/-], not liable for confiscation under Section 111(m) of the Customs Act, 1962.

16. However, as per Importer's submission that they had no intention to mis-declare and the mistake originated entirely at the supplier's end, they have submitted revised SIMS dated 21.01.2026 vide SIMS No. MOSSIMS210126423105 and MOSSIMS210126423106, I find that goods are fit for the clearance for the home consumption.

17. Regarding the Seventh issue, I find that remaining goods contained in 04 pallets (13 pieces) are mis-declared. Goods were declared under CTH 73079310, whereas goods are appropriately classifiable under CTH 73072300 and the aforesaid stainless steel goods contained in 04 pallets (13 pieces) [Assessable value Rs. 1,82,257/- and Duty Rs. 56,463/-], leading to the confiscation of the goods under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962 and this act of omission and commission rendered the importer liable for penalty under Section 112(a)(i) of the Customs Act, 1962.

18. Regarding the eight issue, I find that in respect of the remaining 20 pallets (25,460 kgs) [Assessable Value Rs. 17,13,411/- and duty Rs. 5,30,815/-], appearing to be correctly described in respect of description, value, grades. Even the Chartered Engineer has found the value of the said goods to be correct. Therefore, I find the imported goods in remaining 20 pallets (25,460 kgs) [Assessable Value Rs. 17,13,411/- and duty Rs. 5,30,815/-], not liable for confiscation under Section 111(m) of the Customs Act, 1962 and therefore, importer is also not liable for penalty under Section 112(a)(ii) of the Customs Act, 1962.

19. Regarding the Ninth issue, I find that importer has submitted documents like invoice, packing list which reflected the goods contained in 04 pallets (13 pieces) of the consignment covered under B/E No. 5194428 dated 18.10.2025, declared as "Carbon Steel Galvanized Stock Lot Pipe Fittings" under CTH 7307 93 10, were found to be mis-declared. The PMI test results and physical examination established that the said goods are in fact "Butt welding fittings, of stainless steel", correctly classifiable under CTH 7307 23 00. In this way, importer submitted import documents such as invoice and packing list which did not contain the true and correct description of the goods, thereby making false declarations in material particulars, the importer is also liable to penalty under Section 114AA of the Customs Act, 1962.

20. 18. In view of the facts above, I pass the following order.

#### **ORDER**

- i. I order to reject the description of "Carbon Steel Galvanized Stock Lot Pipe Fittings" and the declared classification under CTH 7307 93 10 in respect of 13 pieces contained in 04 pallets (890 kgs) imported vide Bill of Entry No. 5194428 dated 18.10.2025 and order to re-classify them as "Butt-Welding Fittings, of Stainless Steel" under CTH 7307 23 00.
- ii. I order to reject the declared total assessable value of goods as Rs. 18,31,317/-, of the Bill of Entry No. 5194428 dated 18.10.2025 and order to re-determine the value of the goods as Rs. 18,95,669/-.
- iii. I Order to re-assess the Bill of Entry 5194428 dated 18.10.2025 with differential duty of Rs. 19,936/- under section 17(4) of the customs Act, 1962.
- iv. I order to confiscate the imported goods contained in 04 pallets (13

pieces, 890 kgs) of re-determined assessable value 1,82,257/- under Section 111(d), 111(l) and 111(m) 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. 18,000/- (Rupees Eighteen Thousand only)**.

v. I impose a penalty of **Rs. 5,000/- (Rupees Fifty Thousand only)** on M/s. Torrent Alloys & Fittings Inc u/s. 112 (a)(ii) of the Customs Act, 1962.

vi. I impose a penalty of **Rs. 25,000/- (Rupees Twenty Five Thousand only)** on M/s. Torrent Alloys & Fittings Inc u/s. 114AA of the Customs Act, 1962.

2 1 . This Order-in-Original is issued without prejudice to any other action that may be taken against the importer under the Customs Act, 1962 or any other law for the time being in force.

**Additional Commissioner of Customs**  
**Import Assessment**  
**Custom House, Mundra**

**To,**

**M/s. Torrent Alloys & Fittings Inc, (IEC: AAWFT0189P)**  
**Building no. F4, Gala No. 1, Jayraj Kharbhav,**  
**Vasai Road, Kalwar Bhiwandi-421302,**

Copy to:-

1. The Addl. Commissioner (PCA), Custom House, Mundra.
2. The Assistant Commissioner (RRA/TRC/EDI), Custom House, Mundra.
3. Guard File