

	<p>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, एमपी और एसईजेड, मुंद्रा, कच्छ-गुजरात -370421 <b>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, MP &amp; SEZ MUNDRA, KUTCH-GUJARAT</b> <b>PHONE : 02838-271426/271428</b> <b>FAX :02838-271425</b> <b>Mail: <a href="mailto:group3-mundra@gov.in">group3-mundra@gov.in</a></b></p>	 <p>आज़ादी का अमृत महोत्सव</p>
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<b>A</b>	फा. सं./ <b>FILE NO.</b>	F. No. CUS/APR/221/2026-Gr 3-O/o Pr Commr-Cus-Mundra
<b>B</b>	मूल आदेश संख्या/ <b>ORDER-IN-ORIGINAL NO.</b>	MCH/ADC/ZDC/537/2025-26
<b>C</b>	द्वारा पारित किया गया / <b>PASSED BY</b>	Dipak Zala Addl. Commissioner of Customs Mundra Customs House
<b>D</b>	आदेश की तिथि <b>DATE OF ORDER</b>	13.01.2026
<b>E</b>	जारी करने की तिथि <b>DATE OF ISSUE</b>	13.01.2026
<b>F</b>	कारण बताओ नोटिस संख्या & तिथि <b>SCN NUMBER &amp; DATE</b>	Waived
<b>G</b>	आयातक / नोटिस प्राप्तकर्ता <b>ImPORTER / NOTICEE</b>	<b>M/s. V N Overseas (BHQPA6110D)</b> <b>328/15, Vajawali Chali,</b> <b>Hathikhai. Gomtipur RD,</b> <b>Ahmedabad-380021</b>
<b>H</b>	डिन संख्या / <b>DIN NUMBER</b>	<b>20260171MO000000BD2B</b>

1. यह आदेश संबंधित को निःशुल्क 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 पर अपील कर सकता है-

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),  
चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,  
नवरंगपुरा,अहमदाबाद 380 009”**

**“THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA  
HAVING HIS OFFICE AT 4<sup>TH</sup> 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 ड्यूटी/ 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 intelligence, consignment imported vide Z-Bill of Entry No. 5392244 dated 30.10.2025 filed by M/s. V N Overseas (IEC: BHQPA6110D) was put on hold by the SIIB, Custom House, Mundra for examination. The Goods imported vide Bill of Entry No. 5392244 dated 30.10.2025 were stuffed into Container No. EGHU3647483 & EGHU3800186. The goods were placed at the warehouse of M/s. Fast Track CFS Private Limited, Plot No.3, Block C, Sector 11, APSEZ-Mundra-370421. The details of the goods declared in the Bill of Entry No. 5392244 dated 30.10.2025 are as under:-

**Table-1**

Sr. No.	Declared CTH	Description	Quantity	Unit
1	59031090	Polyester fabric Laminated /Covered with PVC (Width 58 ")	144182.08	SQM

2. The officers of the SIIB, Custom House, Mundra conducted an examination of goods imported under subject Z-Bill of Entry Nos. 5392244 dated 30.10.2025, on 10.11.2025 vide examination report dated 10.11.2025 drawn at M/s. Fast Track CFS Private Limited, Plot No.3, Block C, Sector 11, APSEZ-Mundra-370421, in presence of Shri Vishal Parmar, Deputy Manager of M/s. Fast Track CFS Private Limited, Mundra and Shri Ravi Rayshibhai Maheshwari, Authorised representative of Importer M/s. V N Overseas (IEC: BHQPA6110D).

**2.1** Shri Vishal Parmar, Deputy Manager of M/s. Fast Track CFS Private Limited, Mundra, provided the import documents pertaining to the said Z-Bill of entry 5392244 dated 30.10.2025 to SIIB Officer.

**2.2** Further, on being requested by the SIIB officer, Shri Vishal Parmar provides the copy of the computerised weighment slip containing the net weight of the goods of containers. As per the weighment slips, the net weight of the goods in the containers are as follows:

**Table-2**

Sr. No.	Containers No.	Gross Weight declared in BE/BL (in Kgs)	Gross Weight (Kgs) as per weighment Slip of CFS	Difference Excess (Kgs)
1	EGHU364748 3	26200	26290	90
2	EGHU380018 6	25300	25470	170

**2.3** Further, SIIB officer conducted examination and details of the goods found during examination are as under:

**Table-3**

Sr. No.	Containers No.	No. of fabric rolls found during the examination	Approx. width of the each roll (Meter)	Approx. weight of packing material of the each rolls (Kg)
1	EGHU364748 3	457	1.48	0.460
2	EGHU380018 6	458	1.48	

**2.4** Further, the SIIB officer, in presence of Shri Vishal Parmar, Deputy Manager of M/s. Fast Track CFS Private Limited, Mundra and Shri Ravi Rayshibhai Maheshwari, authorised representative of Importer M/s. V N Overseas, randomly draw two representative samples of each type of goods, sealed and were sent to CRCL, Kandla for testing.

### **3. Investigations Conducted:-**

**3.1** Goods covered under Z-Bill of Entry No. 5392244 dated 30.10.2025 were examined on 10.11.2025 and to ascertain the exact composition and different parameters of the goods, RSS were forwarded to CRCL, Kandla, for testing.

**3.2.** As per the marks on the fabric roll, the details of Test Memo and corresponding Test Report are as under:

**Table-4**

<b><u>TEST Memo NO. and Lab No</u></b>	<b><u>TEST Report results</u></b>
<p>TEST Memo 348/2025-26 dated 12.11.2025 &amp;</p> <p>Lab Report No. 7255-SIIB-</p> <p>(Container No. EGHU3647483)</p>	<p>The sample as received is in the form of a cut piece of dyed (pinkish coloured) woven fabric having laminated/covered surface on one side.</p> <p>The base fabric is composed of polyester filament yarn and the laminated/covered film is composed of polymeric material based on polyvinyl chloride (PVC).</p> <p>GSM (as such): 368.49</p> <p>Width (selvedge to selvedge): 148 cm</p> <p>Percentage Composition</p> <p>Polyester: 40.65% by weight</p> <p>PVC : Balance</p> <p>Note: The sample is a laminated fabric; hence AZO dye could not be ascertained.</p>
<p>TEST Memo 349/2025-26 dated 12.11.2025 &amp;</p> <p>Lab Report No. 7256-SIIB-</p> <p>(Container No. -EGHU3800186)</p>	<p>The sample as received is in the form of a cut piece of dyed (blue coloured) fabric having coated surface on one side.</p> <p>The base woven fabric is composed of polyester filament yarn (non-textured) and the coating is composed of compounded polyvinyl chloride (PVC).</p> <p>GSM (as such): 270.30</p> <p>Width (selvedge to selvedge): 149 cm</p> <p>Percentage Composition</p> <p>Polyester: 71.15%</p> <p>Coating: Balance</p> <p>Note: The sample is a coated fabric; hence AZO dye could not be ascertained</p>

**3.3.** Based on the Test Reports received from CRCL, Kandla, it appears that the goods found as declared i.e. Polyester fabric Laminated /Covered with PVC.

**3.4** Further, as per Test Reports details, mentioned at Table-4 above, Goods/quantity found during examination, as mentioned at Table-3 and declared

goods in the Bill of entry, as mentioned at Table-2, the details of quantity are as under:

**TABLE-5**

Containers No.	Goods description	CTH	Gross Quantity (In Kg)	Total no. of rolls	Approx. weight of packing material of the each rolls (Kg)	Net Quantity (In Kg) (4-5*6)	GSM as per CRCL Report	Total Quantity of the goods - Found after examination in SQM (Approx.) (7*1000/8)
1	2	3	4	5	6	7	8	9
EGHU3647483	Polyester fabric Laminated/Covered with PVC	59031090	26290	457	0.460	26,079.78	368.49	70,774.729
EGHU3800186	Polyester fabric Laminated/Covered with PVC	59031090	25470	458	0.460	25,259.32	270.30	93,449.204
			51,760			51,339.10		<b>1,64,223.933</b>

As per above Table, the total quantity in SQM found more than the declared quantity in subject Bill of Entry.

**3.5. Rejection of declared value & Redetermination of Assessable Value:-**

As the goods imported vide Z-Bill of Entry No. 5392244 dated 30.10.2025, were found to be mis-declared in terms of Quantity, thus value, hence they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Further, the value declared by the importer in the corresponding Bills of Entry and invoices did 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. Determination of valuation:

- a) Efforts were made to find out the correct assessable value of the imported goods found undeclared. It was observed that 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.

- b) 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.
- c) 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.
- d) 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.
- e) Hence, valuation of the goods is to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid*.

The Chartered Engineer vide his report Ref No. ABJ:INSP:CE:MUN:SIIB:VNO:25-26:01 dated 18.12.2025 has suggested the valuation of the imported goods as under:

**TABLE-6**

Containers No.	Description of Goods	CTH	Total Quantity of goods in Square Metre	Per Unit Declared C&F Bill Of Entry Value of the Goods in USD	Per Unit Average Suggestive C&F Value of the Goods in bulk quantity in USD (Approx.)	Total Average Suggestive C&F Value of the Goods in bulk quantity in USD (Approx.)	Total Suggestive C&F Value by C.E in INR (1 USD=88.7 INR)
EGHU3647 483	Polyester fabric Laminated/Covered with PVC	5903109 0	70,774.729	0.12	0.14	9,908.462	878881
EGHU3800 186	Polyester fabric Laminated/Covered with PVC	5903109 0	93,449.204	0.12	0.17	15,886.36 4	1409120
<b>TOTAL AVERAGE (APPROX.)</b>			<b>1,64,223.93 3 SQM</b>			<b>25,794.82 6 USD</b>	<b>22,88,00 1 INR</b>

As per Table 6, the total C&F value is re-evaluated as Rs. 22,88,001/-. Therefore, considering the Insurance amount as 1.125%, as per BE, the total Assessable value (CIF) is re-evaluated as Rs. 23,13,741/- (Rs. Twenty three lakh thirteen thousand seven hundred forty one only), after adding the insurance

amount Rs. 25,740/- (Rs. 22,88,001\*1.125%). However, the declared assessable value was Rs. 15,51,939/-.

### 3.6 Applicable duty and taxes

**3.6.1** Based on the foregoing paragraphs, it is evident that the importer has attempted to evade payment of duties and taxes by undervaluing the imported goods. The duty liability on the imported goods is ascertained as under:

**TABLE-7**

Sr. No.	Description of Goods	CTH	Total SQM As per Table-5	Total Assessable Value (CIF) (in Rs.) As per CE Report	BCD@20 % Amount (In Rs.)	SWS@10 % Amount (In Rs.)	IGST@5% Amount (in Rs.)	Total Applicable Duty (in Rs.)
1	Polyester fabric Laminated/Covered with PVC	59031090	1,64,223.933	23,13,741	4,62,748	46,275	1,41,138	6,50,161
	<b>TOTAL (Approx.)</b>		<b>1,64,223.933</b>	<b>23,13,741</b>	<b>4,62,748</b>	<b>46,275</b>	<b>1,41,138</b>	<b>6,50,161</b>

From the Table-7 above, it appears that the total duty liability of the importer is Rs. 6,50,161/- (Rs. Six lakh fifty thousand one hundred sixty-one only).

**3.6.2** The importer in the Z-Bill of Entry No. 5392244 dated 30.10.2025, has declared the value of the goods as Rs. 15,51,939/- and calculated the applicable duties and taxes on the good declared, based on the declared value in the Bill of Entry, the importer has assessed the duty and taxes as Rs. 4,36,095/-.

**3.6.3** Based on the calculations from para 3.6.1 (Table 7) and para 3.6.2 above, the importer is required to pay/levy a differential liability of Rs. 2,14,066/- (Rs. Two lakh fourteen thousand sixty-six only), on the undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to undervaluation of goods.

### 4. Outcome of the investigation:

The investigation conducted by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra, revealed significant irregularities in the import

consignment of M/s V N Overseass (IEC: BHQPA6110D), 328/15, Vajawali Chali, Hathikhai. Gomtipur RD, Ahmedabad-380021, under Z-Bill of Entry No. 5392244 dated 30.10.2025, covering containers no. EGHU3647483 & EGHU3800186. The examination uncovered deliberate undervaluation of goods, indicating an intent to evade Customs duties. The outcomes of the investigation are as follows:

#### **4.1 Mis-declaration**

The examination of Containers No. EGHU3647483 & EGHU3800186, conducted on 10.11.2025 under examination report dated 10.11.2025, revealed significant discrepancies in the quantity of goods. The declared total quantity in the Z-Bill of Entry 5392244 dated 30.10.2025 was 1,44,182 SQM, while the actual quantity found during the examination was 1,64,224 SQM, as detailed in Table-5.

#### **4.2 Undervaluation**

The declared assessable value of the goods was Rs. 15,51,939/-, with a total duty of Rs. 4,36,095/-. The Chartered Engineer's report (Ref. No. ABJ:INSP:CE:MUN:SIIB: VNO:25-26:01 dated 18.12.2025) re-evaluated the C&F value at Rs. 22,88,001/-, and after adding 1.125% insurance, the total assessable value (CIF) was determined to be Rs. 23,13,741/-. The re-determined value was established under Rule 9 of the Customs Valuation Rules (CVR), 2007 (residual method), as values under Rules 3 to 8 could not be established due to the lack of comparable data for identical or similar goods.

#### **4.3 Duty Evasion**

The importer's deliberate undervaluation resulted in a differential duty liability of Rs. 2,14,066/- (total duty liability of Rs. 6,50,161/- as per Table 7 minus declared duty of Rs. 4,36,095/-). This includes Basic Customs Duty (BCD), Social Welfare Surcharge (SWS) & Integrated Goods and Services Tax (IGST), applicable to the Polyester fabric Laminated/Covered with PVC

#### **4.4 Confiscation of goods and Penal Action**

In view of the above para, it is evident that the importer M/s. V N Overseass, has done undervaluation of the declared goods and therefore, the declared goods are liable for confiscation under Sections 111(l) & 111(m) of the

Customs Act, 1962, due to not corresponding to the declared value. The importer's actions indicate an intent to evade customs duty, violating Section 46(4) of the Customs Act, 1962. Consequently, the importer is liable for penalties under Sections 112(a)(ii) & 114AA of the Customs Act, 1962, for attempting to evade duties.

## **5. RELEVANT LEGAL PROVISIONS:**

### **(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:-**

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*(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 transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54;*

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

*Any person,-*

- a. who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or*
- b. who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,*  
*shall be liable,-*
  - i. ....*

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

**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.

**Waiver of Notice and Personal Hearing:**

6. The Importer vide e-mail dated 23.12.2025, has given their acceptance of the Chartered Engineer Report Ref No. ABJ:INSP:CE:MUN:SIIB:VNO:25-26:01 dated 18.12.2025 and Lab Report No. SIIB-7255 & SIIB-7255 received from CRCL, Kandla. Further, they have requested that they don't want any Summons, SCN & PH and decide the matter on merits and they have agreed to pay fine/penalty, as applicable.

7. In view of the above facts, it appears that –

- i. The declared quantity of the goods 1,44,182 SQM in the Z-Bill of Entry No. 5392244 dated 30.10.2025, is liable to be rejected and liable to be re-determined as mentioned Table-5 at Para 3.4 above.
- ii. The declared assessable value Rs. 15,51,939/- of goods imported vide Bill of Entry No. Z-Bill of Entry No. 5392244 dated 30.10.2025 is liable to be rejected and to be re-determined as Rs. 23,13,741/-, as detailed mentioned at Table-5 of para 3.5 above, as determined by the Chartered Engineer's report dated 18.12.2025, as per Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962;
- iii. The differential duty of Rs. 2,14,066/- (Rs. Two lakh fourteen thousand sixty six only), (as mentioned at para 3.6.3 above) has not been levied on the undervalued goods and is to be included in the importer's duty liability.
- iv. The goods imported in excess of the declared quantities and also goods found under-valued, therefore, the goods with re-determined value as Rs.

23,13,741/- are liable for confiscation under Section 111(l) & Section 111(m) of the Customs Act, 1962.

- v. The importer M/s. V N Overseass (IEC No. BHQPA6110D), 328/15, Vajawali Chali, Hathikhai. Gomtipur RD, Ahmedabad-380021, is liable for Penalty under Section 112(a)(ii) & 114AA of the Customs Act, 1962;

### **DISCUSSION AND FINDINGS**

**8.** I have carefully gone through the Investigation report No. 201/2025-26 dated 02.01.2026 issued by the Deputy Commissioner of Customs (SIIB), Mundra as received from the SIIB and documents relied upon therein, including Chartered Engineer's Valuation Report, and the importer's e mail dated 23.12.2025 waiving the issuance of a Show Cause Notice (SCN) and personal hearing (PH). I find that the importer vide their email dated 23.12.2025 has accepted the valuation of the Chartered Engineer's report, and has requested adjudication on merits, agreeing to pay applicable fine/penalty. In view of this waiver under Section 124 of the Customs Act, 1962, I proceed to adjudicate the matter on merits based on the available records, without issuing a formal SCN or granting PH, as the principles of natural justice are deemed satisfied by the importer's explicit consent.

**8.1** As the principles of natural justice stand complied with in view of the importer's explicit waiver of Show Cause Notice and personal hearing vide their e mail dated 23.12.2025, I now proceed to adjudicate the matter on merits. After going through the facts of the case as brought out in the Investigation Report, the following key issues are identified for determination:

- i. Whether the assessable value of the mis-declared imported goods is liable to be re-determined instead of as declared in the Bills of Entry under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962. The details are as under:-

BE No. & date	Declared Value	Re-determined Value
5392244 (Z-Type) dated 30.10.2025	15,51,939/-	23,13,741/-

- ii Whether the Customs duty involved in the imported goods is liable to be re-determined instead of as declared in the Bills of Entry. The details are as under:-

Particulars	Declared in the BE	Re-determined	<b>resulting in a short-levy of</b>
	Amount in Rs.	Amount in Rs.	
Total Duty	4,36,095/-	6,50,161/-	<b>214,066/-</b>

- iii Whether the said Bills of Entry No. 5392244 dated 30.10.2025 (Z-Type) is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962;
- iv Whether the goods have been imported by way of mis-declaration in contravention of Sec 46 of the Customs Act, 1962 and are therefore liable for confiscation under Section 111(l) & Section 111(m) of the Customs Act, 1962 in the Bill of Entry;
- v Whether the importer M/s. V N Overseas is liable for Penalty under Section 112(a)(ii) of the Customs Act, 1962 ;
- vi Whether the importer M/s. V N Overseas is liable for Penalty under Section 114AA of the Customs Act, 1962;

**9.** I find that the investigation was initiated based on intelligence inputs, leading to the hold and detailed scrutiny of the consignment under Bill of Entry No. 5392244 dated 30.10.2025 at premises of M/s. Fast Track CFS Private Limited, Plot No.3, Block C, Sector 11, APSEZ-Mundra-370421. The physical examination of the container No. EGHU3647483 & EGHU3800186 was conducted on 10.11.2025 in the presence of Shri Vishal Parmar, Deputy Manager of M/s. Fast Track CFS Private Limited, Mundra and Shri Ravi Rayshibhai Maheshwari, authorised representative of Importer M/s. V N Overseas (IEC: BHQPA6110D). At the start of the inspection, the container number and seal number were verified against the Bill of lading and the seal was found intact as mentioned in the BL. The seal was then cut open in the presence of all representatives and labor arranged by the SEZ unit, following which the container was opened for detailed examination.

**9.1** I find that **M/s. V N Overseas**, had filed Z-Type Bills of Entry no. 5392244 dated 30.10.2025 for clearance of goods as per details mentioned in the table 7 below;

**Table 8**

Sr. No.	Declared CTH	Description	Quantity	Unit
1	59031090	Polyester fabric Laminated /Covered with PVC (Width 58 ")	144182.08	SQM

**9.2** I further find the SIIB officer conducted examination and details of the goods found during examination are as under in table 9;

**Table 9**

Sr. No.	Containers No.	No. of fabric rolls found during the examination	Approx. width of the each roll (Meter)	Approx. weight of packing material of the each rolls (Kg)
1	EGHU364748 3	457	1.48	0.460
2	EGHU380018 6	458	1.48	

I further also find that the goods were weighed and difference in the declared weight and actual weight was found as per Table 2 in the foregoing paragraphs and are not repeated here for the sake of brevity

**9.3** I find that to ascertain the exact nature, composition and description of the fabrics, the representative samples were drawn during examination in presence of Shri Vishal Parmar, Deputy Manager of M/s. Fast Track CFS Private Limited, Mundra and Shri Ravi Rayshibhai Maheshwari, Authorised representative of Importer M/s. V N Overseas. The samples were further sent to CRCL, Kandla for laboratory testing as detailed below in the table 10. The finding of CRCL Kandla is also mentioned in the table 10 below.

**Table 10**

<b>TEST Memo NO. and Lab No</b>	<b>TEST Report results</b>
TEST Memo 348/2025-26 dated 12.11.2025 & Lab Report No. 7255-SIIB- (Container No. EGHU3647483)	The sample as received is in the form of a cut piece of dyed (pinkish coloured) woven fabric having laminated/covered surface on one side.  The base fabric is composed of polyester filament yarn and the laminated/covered film is composed of

	<p>polymeric material based on polyvinyl chloride (PVC).  GSM (as such): 368.49  Width (selvedge to selvedge): 148 cm  Percentage Composition  Polyester: 40.65% by weight  PVC : Balance  Note: The sample is a laminated fabric; hence AZO dye could not be ascertained.</p>
<p>TEST Memo 349/2025-26 dated 12.11.2025 &amp; Lab Report No. 7256-SIIB-(Container No. -EGHU3800186)</p>	<p>The sample as received is in the form of a cut piece of dyed (blue coloured) fabric having coated surface on one side.  The base woven fabric is composed of polyester filament yarn (non-textured) and the coating is composed of compounded polyvinyl chloride (PVC).  GSM (as such): 270.30  Width (selvedge to selvedge): 149 cm  Percentage Composition  Polyester: 71.15%  Coating : Balance  Note: The sample is a coated fabric; hence AZO dye could not be ascertained</p>

I further find that there is minor difference in the quantity of the goods in terms of weight declared in BOE and imported. The goods imported are more than declared in the BOE in terms of weight.

### **Determination of classification/quantity**

**10.1** I further find that the importer has declared the goods as **“Polyester Fabric with PVC Coating”** under **CTH 5903 10 90**. Further, as per the test report, the goods correspond to the description declared in the Bill of Entry. Based on the findings of the test report and the provisions of the Customs Tariff, the description declared by the importer is found to be correct.

**10.2** I further find that as per the test report the fabrics are of different GSM. Accordingly, the quantity in square meters (SQM) must be recalculated in accordance with the actual GSM of the fabric ascertained during testing. The actual quantity of fabric (in SQM) will be calculated based on the formula:

$$\text{Quantity in SQM} = \frac{\text{Weight (in kg)} \times 1000}{\text{GSM}}$$

Using this formula, based on the weight ascertained during examination and the GSM reported by CRCL, Kandla, I find that the importer has **mis-declared the actual quantity of the fabrics**. The correct quantity of the fabrics in SQM and KGS, as computed, is as mentioned in table 11:

**Table 11**

Containers No.	Goods description	CTH	Gross Quantity (In Kg)	Total no. of rolls	Approx. weight of packing material of the each rolls (Kg)	Net Quantity (In Kg) (4-5*6)	GSM as per CRCL Report	Total Quantity of the goods - Found after examination in SQM (Approx.) (7*1000/8)
1	2	3	4	5	6	7	8	9
EGHU3647483	Polyester fabric Laminated/Covered with PVC	59031090	26290	457	0.460	26,079.78	368.49	70,774.729
EGHU3800186	Polyester fabric Laminated/Covered with PVC	59031090	25470	458	0.460	25,259.32	270.30	93,449.204
			51,760			51,339.10		<b>1,64,223.933</b>

From above, I find that the importer has mis-declared the quantity of goods in BOE as 144182.08 Sqm against the actual quantity imported as 164223.933 Sqm.

**10.3** I find that since there is misdeclaration in terms of quantity of goods as discussed above. Thus, there is prima facie doubt regarding the valuation of the goods, the goods appeared to be undervalued as declared by the importer. Accordingly, to ascertain the correct value of the imported goods, it was considered necessary to obtain an assessment from the Chartered Engineer. This was essential to ensure accurate valuation in terms of the Customs Valuation Rules and to determine the fair market value of the goods.

**10.4** I further find that although the description and classification of goods are found to be correct. However, the quantity of goods as mentioned in above table 11, is found to be mis-declared. which also raised a doubt on the valuation of the goods. Thus, I find that the declared value cannot be accepted as transaction value and merits rejection in terms of Section 14 of Customs Act, 1962 read with Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Accordingly, the value is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of Customs Valuation.

**10.5** I find that following are the provision related to valuation of the goods under Customs Valuation (Determination of Value of Imported Goods) Rules, 2007

**3. Determination of the method of valuation-**

*(1) Subject to rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of rule 10;*

*(2) Value of imported goods under sub-rule (1) shall be accepted:*

*Provided that -*

*(a) there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which -*

*(i) are imposed or required by law or by the public authorities in India; or*

*(ii) limit the geographical area in which the goods may be resold; or*

*i. do not substantially affect the value of the goods;*

*(b) the sale or price is not subject to some condition or consideration for which a value cannot be determined in respect of the goods being valued;*

*(c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of rule 10 of these rules; and*

*(d) the buyer and seller are not related, or where the buyer and seller are related, that transaction value is acceptable for customs purposes under the provisions of sub-rule (3) below.*

*(3) (a) Where the buyer and seller are related, the transaction value shall be accepted provided that the examination of the circumstances of the sale of the imported goods indicate that the relationship did not influence the price.*

*(b) In a sale between related persons, the transaction value shall be accepted, whenever the importer demonstrates that the declared value of the goods being valued, closely approximates to one of the following values ascertained at or about the same time.*

*(i) the transaction value of identical goods, or of similar goods, in sales to unrelated buyers in India;*

*(ii) the deductive value for identical goods or similar goods;*

*(iii) the computed value for identical goods or similar goods:*

*Provided that in applying the values used for comparison, due account shall be taken of demonstrated difference in commercial levels, quantity levels, adjustments in accordance with the provisions of rule 10 and cost incurred by the seller in sales in which he and the buyer are not related;*

*(c) substitute values shall not be established under the provisions of clause (b) of this sub-rule.*

*(4) 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.*

#### **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;*

*Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.*

*(b) In applying this rule, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the value of imported goods.*

*(c) Where no sale referred to in clause (b) of sub-rule (1), is found, the transaction value of identical goods sold at a different commercial level or in different quantities or both, adjusted to take account of the difference attributable to commercial level or to the quantity or both, shall be used, provided that such adjustments shall be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustments, whether such adjustment leads to an increase or decrease in the value.*

*(2) Where the costs and charges referred to in sub-rule (2) of rule 10 of these rules are included in the transaction value of identical goods, an adjustment shall be made, if there are significant differences in such costs and charges between the goods being valued and the identical goods in question arising from differences in distances and means of transport.*

*(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 such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.

(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.

Further, as per Rule 6 of the CVR, 2007, if the value cannot be determined under Rule 3, 4 & 5, then the value shall be determined under Rule 7 of CVR, 2007.

**Rule 7 of the CVR, 2007, stipulates that:-**

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

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

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

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

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

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

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

**Rule 8 of the CVR, 2007, stipulates that:-**

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

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

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

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

**Rule 9 of the CVR, 2007, stipulates that:-**

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

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

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

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

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

*(iii) the price of the goods on the domestic market of the country of exportation;*

*(iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;*

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

*(vi) minimum customs values; or*

*(vii) arbitrary or fictitious values.*

**10.6** I find that "Value" has been defined under Section 2(41) of the Customs Act, 1962 as "Value", in relation to any goods, means the value thereof determined in accordance with the provisions of sub-section (1) or sub-section (2) of section 14".

**10.7** The Section 14 *ibid* provides, *inter alia*, that the value of the imported goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such their conditions as may be specified in the rules made in this behalf. Further, its proviso provides that such transaction value in the case of imported goods shall include, in addition to the price as aforesaid, any amount paid or payable for costs and services, including commissions and brokerage, engineering, design work, royalties and license fees, costs of transportation to the place of importation, insurance, loading, unloading and handling charges to the extent and in the manner specified in the rules made in this behalf. I find that as per the above provision value of any imported goods is the price actually paid or payable for the goods plus the components of other incidental charges to the extent mentioned in proviso to Section 14 *ibid* and in the manner specified in the Rules made under Section 14 *ibid*.

**10.8** I find that Rule 4 (1) (a) of Rules 2007 stipulates determination of value of goods based on value of identical goods. Rule 5, providing for transaction value of similar goods. I observed that the imported goods were found with no specification, 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 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 cannot be determined under Rules 4 and 5 of CVR, 2007. 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. I also noticed that no exact sales values and data required for quantification of the deductions was available, hence, rule 7 cannot be invoked. Further, computed value, as provided under Rule 8, cannot be calculated in the absence of quantifiable data relating to cost of production, manufacture or processing of import goods. In such scenario, I find it appropriate to invoke the provisions of Rule 9 i.e. residual method for

determining the value of the impugned import goods. Rule 9 provides for determination of value using reasonable means consistent with the principles and general provisions of these rules.

**10.9** I find that valuation cannot be determined under Rule 4 to 8 of the CV Rules due to lack of contemporaneous data for identical imports. I further find that to ascertain the value of cargo, attempts have been made to get the details from the previous bills of entry filed by the importer and as well as NIDB data for similar and identical goods during the relevant period was done. However, due to various items without specification and detail, valuation of identical or similar goods cannot be ascertained. Thus, valuation of the goods under import cannot be determined in terms of Rule 4 to 8 of the CV Rules. Therefore, valuation of the goods is found appropriate to be determined under residual method of valuation provided under Rule 9 of the CV Rules.

**10.10** I find that to determine the value of goods as per Rule 9 of the CV Rules the opinion of the empanelled Chartered Engineer was sought for determination of the value of the goods under import. The Chartered Engineer vide his Report No. – ABJ:INSP:CE:MUN:SIIB:VNO:25-26:01 dated 18.12.2025 has suggested the C&F value of the imported goods as 25794.826 USD as detailed in Table-12 below;

**Table 12**

Containers No.	Description of Goods	CTH	Total Quantity of goods in Square Metre	Per Unit Declared C&F Bill Of Entry Value of the Goods in USD	Per Unit Average Suggestive C&F Value of the Goods in bulk quantity in USD (Approx.)	Total Average Suggestive C&F Value of the Goods in bulk quantity in USD (Approx.)	Total Suggestive C&F Value by C.E in INR (1 USD=88.7 INR)
EGHU3647 483	Polyester fabric Laminated/Covered with PVC	5903109 0	70,774.729	0.12	0.14	9,908.462	878881
EGHU3800 186	Polyester fabric Laminated/Covered with PVC	5903109 0	93,449.204	0.12	0.17	15,886.36 4	1409120
<b>TOTAL AVERAGE (APPROX.)</b>			<b>1,64,223.93 3 SQM</b>			<b>25,794.82 6 USD</b>	<b>22,88,00 1 INR</b>

From above I find that, the total C&F value is re-evaluated as Rs. 22,88,001/-. Therefore, considering the Insurance amount as 1.125%, as per BE, the total

Assessable value (CIF) is re-evaluated as Rs. 23,13,741/- (Rs. Twenty-three lakh thirteen thousand seven hundred forty-one only), after adding the insurance amount Rs. 25,740/- (Rs. 22,88,001\*1.125%). However, the declared assessable value was Rs. 15,51,939/-.

**11.1** I find that since the value of the goods has been re-determined in terms of the foregoing discussion, the duty liability on the imported goods is also required to be re-computed based on the applicable rates of duty. Accordingly, I find that this is a clear case of non-levy/short levy of Customs duty on account of incorrect declaration made by the importer. The re-determined assessable value and the corresponding duty liability are computed as under: —

<b>Total Value (In INR)</b>	<b>BCD 20%</b>	<b>SWS 10%</b>	<b>IGST 5%</b>	<b>TOTAL</b>
<b>23,13,741/-</b>	<b>4,62,748/-</b>	<b>46,275/-</b>	<b>1,41,138/-</b>	<b>6,50,161/-</b>

**11.2** In view of the above, I conclude that the importer has declared the total assessable value of the consignment as **Rs. 15,51,939/-** in the SEZ Z Type Bill of Entry No. 5392244 dated 30.10.2025. However, as per the valuation report submitted by the Chartered Engineer the value of the consignment is **Rs. 23,13,741/-**. Thus, the subjected consignment has been undervalued to the extent of **Rs. 7,61,802.0/-** on account of mis-declaration of the imported goods by the said importer.

**11.3** From above discussion, I further conclude that, by way of mis-declaration and undervaluation of the items in terms of description and value, as discussed above, there is short levy of the Customs duty to the tune of **Rs. 2,14,066/-** (Rupees Two Lakhs Fourteen Thousand Sixty-Six Only).

**11.4** I further find that the importer has already agreed to pay this differential duty along with applicable interest, fine, and penalties vide his e mail and letter dated 23.12.2025.

**12. Violation of Section 46 and Section 17 - Misdeclaration, Misclassification & Undervaluation:** - In view of the above findings, I note that the importer has contravened the provisions of Section 46 and Section 17 of the Customs Act, 1962 by acts of omission and commission, inasmuch as they failed

to make a true, correct and complete declaration in the Bills of Entry and failed to correctly assess their duty liability. I find that M/s V N Overseas has wilfully misdeclared the quantity, and value of the imported goods covered under the above-mentioned Bills of Entry with the intention to evade customs duty. Section 46(4A) stipulates that the importer, while presenting the Bill of Entry, must ensure the accuracy and completeness of the information furnished and the authenticity and validity of supporting documents. Further, Section 17(1) read with Section 17(2) of the Customs Act, 1962 and CBIC Circular No. 17/2011-Customs dated 08.04.2011 casts a heightened responsibility on the importer to correctly self-assess the classification, valuation, duty rate, country of origin and all other relevant particulars. By mis-declaring quantity and valuation, the importer has violated Section 46 and Section 17. Their deliberate acts of misdeclaration and undervaluation have resulted in a differential duty liability of Rs. **2,14,066/-** (Rupees Two Lakhs Fourteen Thousand Sixty-Six Only). This differential duty is liable to be demanded and recoverable from the importer.

**13. Liability for Confiscation & Penalty:** - I find that the importer mis declared the goods in the said BOE in respect of quantity, assessable value and duty. Thus, this act of importer has made the goods declared in said BOE liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962, and the importer has rendered themselves liable to penalty under Section 112(a) for the same.

**14. Liability under Section 114AA – Use of False Documents:** - I further find that the importer did not present true and correct facts at the time of filing the Bills of Entry. The importer knowingly submitted false and incorrect documents such as the Bill of Lading, invoices and packing lists, containing incorrect and misleading particulars regarding the quantity, and valuation of the goods. By knowingly using such documents containing false material particulars, the importer has rendered themselves liable to penalty under Section 114AA of the Customs Act, 1962, which provides that any person who 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 under the Act shall be liable to penalty.

**15.1** As the impugned goods have been found liable to confiscation under Section 111(l) & 111(m) of the Customs Act, 1962, it becomes necessary to examine whether redemption fine under Section 125 of the said Act is imposable in lieu of confiscation. The statutory provision reads as under:

*“Section 125. Option to pay fine in lieu of confiscation.—(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods [or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit.”*

**15.2** A plain reading of the above provision reveals that the imposition of redemption fine serves as an alternative to confiscation, providing the owner of the goods an opportunity to redeem them on payment of a fine, wherever their clearance for home consumption is not restricted under any policy or statutory provision.

**15.3** In the instant case, the goods are dutiable but not prohibited under the Customs Tariff Act, 1975 or the Foreign Trade (Development & Regulation) Act, 1992. There exists no restriction or prohibition under any policy framework which would prevent their clearance for home consumption.

**15.4** Since the goods are non-prohibited, and the importer has not opted for re-export, the mandatory provision under Section 125(1) comes into operation. Accordingly, the importer is entitled to the option of redemption of the confiscated goods for home consumption on payment of an appropriate fine in lieu of confiscation.

**15.5** Further, as the goods are dutiable and not prohibited, an option to redeem the goods on payment of a redemption fine under Section 125(1) of the Customs Act, 1962, in addition to the differential duty and applicable charges, is extended to the importer.

**16.** In view of the discussions in the foregoing paras, I pass following order:

**ORDER**

- i. I order to reject the self-assessment made by the importer for Z-Type Bill of Entry No. 5392244 dated 30.10.2025 under Section 17(1) of the Customs Act, 1962. Further, I order to re-assess the said Z-Type Bill of Entry No. 5392244 dated 30.10.2025 under the provisions of Section 17(4) of the Customs Act, 1962, as per Para 10.10 & Table -12. The duty so arising consequent to such re-assessment will be payable by the importer.
- ii. I order for confiscation of the goods imported under the Z Type Bill of Entry no. 5392244 dated 30.10.2025 which is having total re-determined assessable value as **Rs. 23,13,741/-** under Section 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the same for DTA on payment of Redemption Fine of Rs. 2,30,000/- (Rupees Two Lakh Thirty Thousand Only) under Section 125 of the Customs Act, 1962.
- iii. I impose a penalty of Rs. 20,000 (Rs. Twenty Thousand Only) on the importer under Section 112(a)(ii) of the Customs Act, 1962 for goods imported under the said BE;
- iv. I impose a penalty of Rs. 50,000 (Rupees Fifty Thousand Only) on the importer under Section 114AA of the Customs Act, 1962.

This OIO is issued without prejudice to any other action that may be taken against the claimant under the provisions of the Customs Act, 1962 or rules made there under or under any other law for the time being in force.

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

BY Speed Post A.D / E-mail

**To, (The Noticee):-**

**M/s. V N Overseas (BHQPA6110D)**  
**328/15, Vajawali Chali,**  
**Hathikhai. Gomtipur RD,**  
**Ahmedabad-380021**

Copy to:

1. The Deputy/Assistant Commissioner (SIIB), Customs House, Mundra.
2. The Dy./Asstt. Commissioner (Review Cell/TRC/EDI), Customs House, Mundra