OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
CUSTOMS HOUSE, MP & SEZ
MUNDRA, KUTCH-GUJARAT -370421
Email: Group4-mundra@gov.in

सत्यमेव जयते

A	**FILE NO.** फ़ाइल संख्या	CUS/APR/INV/589/2026-Gr 4-O/o Pr Commr-Cus-Mundra
B	**OIO NO.** आदेश संख्या	MCH/ADC/ZDC/398/2026-27
C	**PASSED BY** जारीकर्ता	Dipak Zala, Additional Commissioner of Customs/अपर आयुक्त सीमा शुल्क, Custom House, Mundra/कस्टम हाउस, मुंद्रा।
D	**DATE OF ORDER** आदेश की तारीख	15.10.2026
E	**DATE OF ISSUE** जारी करने की तिथि	15.10.2026
F	**SCN No. & Date** कारण बताओ नोटिस क्रमांक	Waived.
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	M/s RSE India Private Limited (IEC-AAMCR3913Q)

1. यहआदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।

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

2. यदि कोई व्यक्ति इस आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते परअपील कर सकताहै-

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

"सीमाशुल्कआयुक्त (अपील),
चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,
नवरंगपुरा,अहमदाबाद 380 009"
"THE COMMISSIONER OF CUSTOMS (APPEALS),
HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN ROAD,
NAVRANGPURA, AHMEDABAD-380 009."

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

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

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

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

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

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

7. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (A) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।
An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

BRIEF FACTS OF THE CASE:

M/s RSE India Private Limited (IEC-AAMCR3913Q), having its registered office at Property Bearing No-6/A, Kh. No-7/6, Nilothi Extension, New Delhi, Shri Ram Colony, New Delhi, West Delhi, Delhi-110041 (hereinafter referred to as "the Importer" for sake of brevity) has imported a consignment as tabulated above (hereinafter referred to as "the impugned Goods") at Mundra Port vide Z-Bill of Entry No. 2366940 dated 07.07.2026. The goods pertaining to said BE was put on hold as per specific information received from DRI and NCTC. The examination of the above said consignment was carried out by the officers of SIIB on 20.07.2026 in the presence of the importer's authorized representative under Panchnama dated 20.07.2026 drawn at the premises of M/s Shoolin Trade Link LLP, APSEZ,

Mundra (Kachchh). The details of the goods as declared in the said Bill of Entry are as follows:

Table-I

Sr. No.	CTH	DESCRIPTION	QUANTITY	UQC
1	73170091	IRON PIN	1583.65	KGS
2	73170091	IRON PIN	5543.25	KGS
3	83021090	FURNITURE FITTING HINGES	1776.50	KGS
4	73181500	SCREW	4618.90	KGS
5	73181500	SCREW	1980.75	KGS
6	73181500	SCREW	4620.80	KGS
7	94032090	VISITOR CHAIR	120	PCS
8	94032090	VISITOR CHAIR	72	PCS
9	94032090	VISITOR CHAIR	510	PCS

2. **Weighment and Examination of the goods:**

The officer of SIIB section, CH Mundra, conducted the examination of the impugned goods stuffed into the container no. MSNU5197778 covered under the Z-Bill of Entry No. 2366940 dated 07.07.2026 under Panchnama dated 20.07.2026. Before examination the weightment of the cargo was cross checked with weightment slip provided by the SEZ unit. The details of the weightment of the goods are as follows:

Table-II

Sr. No.	Bill of Entry no. and Date	Container No.	B/L weight (Kg)	Cargo Weight as per SEZ Unit weighment slip(Kg)
1	2366940 dated 07.07.2026 (Z type)	MSNU5197778	25110	27655

2.1. Thereafter, the officers verify the seal with import documents and found intact on said container. Than the seal was cut with the help of labour and it is noticed that the container was fully loaded with corrugated cartons. The goods were de-stuffed in warehouse. During the course of examination of the impugned goods, 2521 Corrugated Cartons/Boxes were found and same was declared in Bill of Entry. The complete details of the goods found during examination are as below:

Table-III

Sr. No.	Merit Description	CTN	KGs	Total Weight in KGs	No. of Pcs	Total No. of Pcs

1	IRON PIN [N21]	300	6.010	1803	-	-
2	IRON PIN [1013J]	1050	6.010	6310.5	-	-
3	FURNITURE FITTING HINGES	200	9.970	1994	-	-
4	SCREW (5.6”)	350	16.66	5831	-	-
5	SCREW (5.4”)	350	15.00	5250	-	-
6	SCREW (2.4”)	150	15.02	2253	-	-
7	VISITOR CHAIR [6pcs]	12	37.520	450.24	6	72
8	VISITOR CHAIR [5pcs]	24	33.390	801.36	5	120
9	VISITOR CHAIR [6pcs]	85	34.850	2962.25	6	510
		2521		27655.35		

3. **Re-determined Description and Classification of the Goods:**

The importer has declared 09 items in the said BE. However, during the course of examination, some of the goods found mis-declared in terms of description and quantity. The declared CTH of all the goods needs to be re-determined.

3.1. It is observed that the imported goods have been declared in the Bill of Entry as "Iron Pins", with a declared net weight of 7126.90 Kgs. However, upon detailed physical examination of the consignment, the goods were found to consist of staple pins having total weight of 8113.5 kgs. The examined goods appear to be staple pins intended for use in pneumatic staplers, rather than ordinary iron pins as declared. The total weight of the goods actually found on examination was 8113.5 Kgs, as against the declared weight of 7126.90 Kgs, resulting in an excess quantity of 986.6 Kgs. Accordingly, the goods are rightly classifiable under CTH 8305. The extract of CTH 8305 is as below:

8305 FITTINGS FOR LOOSE-LEAF BINDERS OR FILES, LETTER CLIPS, LETTER CORNERS, PAPER CLIPS, INDEXING TAGS AND SIMILAR OFFICE ARTICLES, OF
BASE METAL; STAPLES IN STRIPS (FOR EXAMPLE, FOR OFFICES, UPHOLSTERY, PACKAGING), OF BASE METAL
8305 10 00 - Fittings for loose-leaf binders or files kg. 20% -
8305 20 00 - Staples in strips kg. 20% -
8305 90 - Other, including parts:

The details of all the goods with Re-determined CTH, Description and quantity as below:

Table-IV

Sr. No.	Declared Description	Re-determined Description	Declared CTH	Re-determined CTH	Re-determined Quantity in Kgs/Pcs
1	IRON PIN [N21]	Staple Pin	73170091	83052000	1803
2	IRON PIN [1013J]	Staple Pin	73170091	83052000	6310.5
3	FURNITURE FITTING HINGES	Furniture Fitting Hinges (SS)	83021090	83021010	1994
4	SCREW (5.6")	Drywall Screw (5.6")	73181500	73181500	5831
5	SCREW (5.4")	Drywall Screw (5.4")	73181500	73181500	5250
6	SCREW (2.4")	Drywall Screw (2.4")	73181500	73181500	2253
7	VISITOR CHAIR [6pcs]	Visitor Chair [6pcs]	94032090	94017900	72
8	VISITOR CHAIR [5pcs]	Visitor Chair [5pcs]	94032090	94017900	120
9	VISITOR CHAIR [6pcs]	Visitor Chair [6pcs]	94032090	94017900	510

Valuation of the Goods

4. Further, as goods found during examination in the subject Bill of Entry were mis-declared in terms of Description, quantity and classification. Therefore, value of the goods need to be determined.

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

The Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "*the CVR, 2007*") provides the method of valuation. The Rule 3(1) of the CVR, 2007 provides that "Subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10. The Rule 3(4) ibid states that "if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007". Whereas, it appears

that, transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Whereas, it further appears that, there is a reasonable doubt regarding the truth and accuracy of the value declared by the importer, and hence it appears liable to be rejected in terms of Rule 12 of the CVR, 2007.

4.2. Whereas, it appears that, if actual transaction value which means price paid or payable cannot be ascertained on the basis of Rule 3 of the CVR, 2007, the value shall be decided proceeding to subsequent rules. Thus, recourse is to be taken to the Rule 9 of the CVR, 2007 which provides for determination of value where the value of the imported goods cannot be determined under the provisions of the any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India.

4.3. Whereas, it appears that, the value of the impugned goods could not be determined under Rule 4 and 5 ibid since the goods have been un-declared/mis-declared by means of description, the value of contemporaneous imports of identical and similar goods of same quality and composition was not found. Proceeding sequentially, it is stipulated under Rule 6 ibid that where the value is not determinable under Rule 3, 4 and 5, the value is to be determined under Rule 7 or when the value cannot be determined under that Rule, under Rule 8. Whereas, Rule 7 provides for 'Deductive Value' i.e. the value is to be determined on the basis of valuation of identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions stipulated under the rule. Whereas, for the reasons detailed above, the values also cannot be determined as per the said Rule 7 ibid. Likewise, for application of Rule 8 of the CVR, 2007, the cost of production or processing involved in the imported goods are not available. In the absence of requisite data, the value cannot be determined by taking recourse to these rules either.

4.4. Whereas, it appears that, the provisions of Rule 4 to 8 ibid, are not applicable in the instant case, the value of the impugned goods is required to be

determined under the provisions of Rule 9 of the CVR 2007, which reads as under: -

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

4.5. Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Anwar Y. Kukad, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. AYK:VAL:02998:2026 dated 13.08.2026 wherein, he has reported the value of the cargo as tabulated below:

Table-V

Sr. no.	Item	Unit	Quantity found on examination	Suggestive value per Kgs/Pcs in USD	Suggestive Present CIF value in USD	Suggestive Present CIF value in INR (1 USD= 95.2 INR)
1	Staple Pin (N21)	Kgs	1803	0.65	1171.95	111570
2	Staple Pin (1013J)	Kgs	6310.5	0.65	4101.83	390494
3	Furniture Fitting Hinges (SS)	Kgs	1994	2.95	5882.30	559995
4	Drywall Screw (5.6")	Kgs	5831	1.439737	8395.11	799214
5	Drywall Screw (5.4")	Kgs	5250	1.438849	7553.96	719137
6	Drywall Screw (2.4")	Kgs	2253	1.439145	3242.39	308676
7	Visitor Chair [6pcs]	Pcs	72	5.5	396.00	37699
8	Visitor Chair [5pcs]	Pcs	120	7.5	900.00	85680
9	Visitor	Pcs	510	5.5	2805.00	267036

	Chair [6pcs]					
Total					34448.53	32,79,500/-

4.6. Whereas, it appears that, the assessable value of Rs. 21,71,417/- declared by the importer in the Z-Bill of Entry No. 2366940 dated 07.07.2026 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 32,79,500/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

5. **Importability and Policy Compliance:**

5.1. The goods mentioned at Sr. No. 3 of table-IV above are falls under mandatory compliance of BIS as per Hinges (Quality Control) Order, 2025. The goods also restricted if the CIF value of the goods is less than Rs. 280/Kgs as per Notification No. 14/2025-26 dated 26.05.2025. In the instant case the importer has imported the goods at Rs. 49.3/Kgs, so the goods become restricted as per above said notification. Further, the importer has also not provided the BIS certificate for the imported goods. Accordingly, the goods are become restricted for import and the same are become prohibited for import due to non-compliance of BIS and MIP. By this act of omission and commission the importer made the goods liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962.

5.2. The goods mentioned at Sr. No. 4-6 of table-IV above are falls under compulsory registration with SIMS. As per Policy Condition 2 & 3 of Chapter 73, the goods imported under all HS codes of Chapter 73 needs compulsory registration of the goods under SIMS (Steel Import Monitoring System). The importer has produced the SIMS certificate no. MOSSIMS070726608038 dated 07.07.2026. However, the SIMS registration was done after entry inward of the vessel which falls under non-compliance of SIMS notification. Accordingly, the goods became prohibited for import due to non-compliance of SIMS. By this act of omission and commission the importer made the goods liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962.

5.3. The goods mentioned at Sr. No. 7-9 of table-IV above are falls under mandatory compliance of BIS as per Furniture (Quality Control) Order, 2025. However, the Government of India has provided exemption of the BIS implementation on the goods where purchase order was placed before the implementation date of the order as per Furniture (Quality Control) Second Amendment Order, 2026. The importer has produced Sales Contract No. CN-SC/2026/RSE-013 dated 21.01.2026 i.r.o. Purchase Order No. PO-RSE-023 dated 20.01.2026 for the imported goods.

6. **Re-determination of Applicable Duty:**

On the basis of re-determined value of the goods in above Table-V, duty leviable on goods imported vide B/E No. 2366940 dated 07.07.2026 is being re-calculated for the goods which will be released for Home Consumption. The re-calculated leviable duty is as under: -

Table-VI

Sr. No.	Item Description	Unit	Total Qty found during examination	Total Value in USD	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 20/15 %	SWS @ 10%/AIDC @5%	IGST @ 18	Total applicable Duty in Rs.
1	Staple Pin (N21)	Kgs	1803	1171.95	111570	22314	2231	24501	49046
2	Staple Pin (1013J)	Kgs	6310.5	4101.83	390494	78099	7810	85752	171661
3	**Furniture Fitting Hinges (SS)**	**Kgs**	**1994**	**5882.30**	**559995**	**0**	**0**	**0**	**0**
4	Drywall Screw (5.6”)	Kgs	5831	8395.11	799214	119882	11988	167595	299466
5	Drywall Screw (5.4”)	Kgs	5250	7553.96	719137	107871	10787	150803	269461
6	Drywall Screw (2.4”)	Kgs	2253	3242.39	308676	46301	4630	64729	115661
7	Visitor Chair [6pcs]	Pcs	72	396.00	37699	7540	1885	8482	17907
8	Visitor Chair [5pcs]	Pcs	120	900.00	85680	17136	4284	19278	40698
9	Visitor Chair [6pcs]	Pcs	510	2805.00	267036	53407	13352	60083	126842

Total	34448.53	3279500	452550	56967	581224	10,90,741/-

The total re-determined value of the goods releasable for Home Consumption comes to Rs. 27,19,505/- and the total re-determined Duty for the said releasable goods comes to Rs. 10,90,741/- instead of the declared duty for the same i.e. Rs. 7,78,287/-. The differential duty of said releasable goods comes to Rs. 3,12,454/-. The duty of item no. 3 was not calculated due to non-compliance of BIS.

7. **Outcome of the Investigation:**

The investigation conducted by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra, based on the special intelligence, revealed significant irregularities in the import consignment of M/s. RSE India Private Limited, Property Bearing No-6/A, Kh. No-7/6, Nilothi Extension, New Delhi, Shri Ram Colony, New Delhi, West Delhi, Delhi-110041 (IEC: AAMCR3913Q), under Z-Bill of Entry No. 2366940 dated 07.07.2026, covering container MSNU5197778. The examination conducted on 20.07.2026, which uncovered deliberate mis-declaration, undervaluation, and non-compliance with regulatory requirements, indicating an intent to evade Customs duties and violate import regulations. The outcomes of the investigation are as follows:

7.1**. Examination of the Goods:**

The officer of SIIB section, CH Mundra, conducted the examination of the impugned goods stuffed into the container no. MSNU5197778 covered under the Z-Bill of Entry No. 2366940 dated 07.07.2026 under Panchnama dated 20.07.2026. During the course of examination of the impugned goods, after complete de-stuffing, 2521 Corrugated Boxes. Further, on examination of the goods, the officer prima facie noticed that the goods are mis-declared and mi-classified.

7.2**. Re-determined description, quantity and Classification of the Goods:**

Sr. No.	Declared Description	Re-determined Description	Declared CTH	Re-determined CTH	Re-determined Quantity in Kgs/Pcs
1	IRON PIN [N21]	Staple Pin	73170091	83052000	1803
2	IRON PIN [1013J]	Staple Pin	73170091	83052000	6310.5
3	FURNITURE FITTING HINGES	Furniture Fitting Hinges (SS)	83021090	83021010	1994

4	SCREW (5.6")	Drywall Screw (5.6")	73181500	73181500	5831
5	SCREW (5.4")	Drywall Screw (5.4")	73181500	73181500	5250
6	SCREW (2.4")	Drywall Screw (2.4")	73181500	73181500	2253
7	VISITOR CHAIR [6pcs]	Visitor Chair [6pcs]	94032090	94017900	72
8	VISITOR CHAIR [5pcs]	Visitor Chair [5pcs]	94032090	94017900	120
9	VISITOR CHAIR [6pcs]	Visitor Chair [6pcs]	94032090	94017900	510

7.3. **Valuation of the Goods:**

Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Anwar Y. Kukad, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. AYK:VAL:02998:2026 dated 13.08.2026. It appears that, the assessable value of Rs. 21,71,417/- declared by the importer in the Z-Bill of Entry No. 2366940 dated 07.07.2026 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 32,79,500/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

7.4. **Re-determination of Duty:**

The total re-determined value of the goods releasable for Home Consumption comes to Rs. 27,19,505/- and the total re-determined Duty for the said releasable goods comes to Rs. 10,90,741/- instead of the declared duty for the same i.e. Rs. 7,78,287/-. The differential duty of said releasable goods comes to Rs. 3,12,454/-.

7.5. **Importability and Policy Compliance:**

7.5.1. The goods mentioned at Sr. No. 3 of table-IV above are falls under mandatory compliance of BIS as per Hinges (Quality Control) Order, 2025. The goods also restricted if the CIF value of the goods is less than Rs. 280/Kgs as per Notification No. 14/2025-26 dated 26.05.2025. In the instant case the importer has imported

the goods at Rs. 49.3/Kgs, so the goods become restricted as per above said notification. Further, the importer has also not provided the BIS certificate for the imported goods. Accordingly, the goods are become restricted for import and the same are become prohibited for import due to non-compliance of BIS and MIP. By this act of omission and commission the importer made the goods liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962.

7.5.2. The goods mentioned at Sr. No. 4-6 of table-IV above are falls under compulsory registration with SIMS. As per Policy Condition 2 & 3 of Chapter 73, the goods imported under all HS codes of Chapter 73 needs compulsory registration of the goods under SIMS (Steel Import Monitoring System). The importer has produced the SIMS certificate no. MOSSIMS070726608038 dated 07.07.2026. However, the SIMS registration was done after entry inward of the vessel which falls under non-compliance of SIMS notification. Accordingly, the goods became prohibited for import due to non-compliance of SIMS. By this act of omission and commission the importer made the goods liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962.

7.5.3. The goods mentioned at Sr. No. 7-9 of table-IV above are falls under mandatory compliance of BIS as per Furniture (Quality Control) Order, 2025. However, the Government of India has provided exemption of the BIS implementation on the goods where purchase order was placed before the implementation date of the order as per Furniture (Quality Control) Second Amendment Order, 2026. The importer has produced Sales Contract No. CN-SC/2026/RSE-013 dated 21.01.2026 i.r.o. Purchase Order No. PO-RSE-023 dated 20.01.2026 for the imported goods.

7.6. **Confiscation of Goods and Penal Action:**

In view of the above, it is evident that the importer, M/s. RSE India Private Limited, has imported the goods covered under Bill of Entry No. 2366940 dated 07.07.2026 in violation of the BIS, MIP and SIMS. The importer also mis-declared the goods in term of Description, quantity and classification. Therefore, the goods mentioned at Sr. No. 3 of Table-IV are liable for confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962 due to being for non-compliance of BIS and MIP and the goods mentioned at Sr. No. 4-6 of Table-IV are liable for

confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962 due to mis-declaration and for non-compliance of SIMS. The goods mentioned at Sr. No. 1 & 2 of Table-IV are liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962 due to not corresponding to the declared value and quantity. The goods mentioned at Sr. No. 7-9 of Table-IV are liable for confiscation under Section 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 (false declaration in Bill of Entry). Consequently, the importer is liable for penalties under Sections 112(a)(i), 112(a)(ii) and 114AA of the Customs Act, 1962, for knowingly submitting false documents and attempting to evade duties.

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

(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:

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

…….

(o) "**import"** means—

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

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

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

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

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

3. *Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.*

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

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

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

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

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

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

2. *The Central Government, by the Notification 2665(E) dated 05.08.2016 has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111, 113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.*

47 (5) *Refund, Demand, Adjudication, Review and Appeal with regard to matters relating to authorise operations under Special Economic Zones Act, 2005, transactions, and goods and services related thereto, shall be made by the Jurisdictional Customs and Central Excise Authorities in accordance with the relevant provisions contained in the Customs Act, 1962, Central Excise Act, 1944, and the Finance Act, 1994 and the rules made thereunder or the notifications issued thereunder.*

(B) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

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

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

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

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

Section 2 (33)*: '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.*

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:-*

(d) *any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*

--

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

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

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

Any person,-

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

b. who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

shall be liable,-

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

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

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

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

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

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

……..

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

"Rule 5. Transaction value of similar goods . *- (1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:*

Provided that ……..

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

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

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

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

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

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

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

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

Rule 8. Computed value.-

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

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

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

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

Rule 9. Residual method:-

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

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

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

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

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

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

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

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

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

***Rule 12. Rejection of declared value**. - (1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, he may ask the importer of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such importer, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such imported goods cannot be determined under the provisions of sub-rule (1) of rule 3.*

9. The importer vide email dated 17.08.2026 has requested for waiver of SCN and PH in the instant case and accepted the CE valuation. The importer has also produced SIMS certificate No. MOSSIMS070726608037 and MOSSIMS070726608038 dated 07.07.2026 for the said goods. But the SIMS certificate was produced after inward date which is in non-compliance of the SIMS policy.

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

i. The declared description, quantity, weighment and classification of the goods imported vide Z-Bill of Entry No. 2366940 dated 07.07.2026, filed by the Importer M/s. RSE India Private Limited, are liable to be rejected and the same needs to be re-determined as per Tables II and IV.

ii. The total declared assessable value of Rs. 21,71,417/- for the goods under Z-Bill of Entry No. 2366940 dated 07.07.2026 is liable to be rejected and re-determined as Rs. 32,79,500/- under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

iii. The Bill of Entry no. 2366940 dated 07.07.2026 need to be re-assessed under Section 17(4) of The Customs Act, 1962 with re-determined duty, quantity, classification, weighment and description as discussed in above paras.

iv. The goods imported vide Bill of Entry no. 2366940 dated 07.07.2026 mentioned at Sr. No. 1 & 2 of the Table-IV having re-determined value of Rs. 5,02,063/- are liable for confiscation under Sections 111(l) & 111(m) of the Customs Act, 1962.

v. The goods imported vide Bill of Entry no. 2366940 dated 07.07.2026 mentioned at Sr. No. 3 of the Table-IV having re-determined value of Rs. 5,59,995/-, for being prohibited in absence of BIS and MIP are liable for confiscation under Sections 111(d), 111(l), and 111(m) of the Customs Act, 1962.

vi. The goods imported vide Bill of Entry no. 2366940 dated 07.07.2026 mentioned at Sr. No. 4-6 of the Table-IV having re-determined value of Rs. 18,27,027/-, for mis-declaration and for non-compliance of SIMS, are liable for confiscation under Sections 111(d), 111(l), and 111(m) of the Customs Act, 1962.

vii. The goods imported vide Bill of Entry no. 2366940 dated 07.07.2026 mentioned at Sr. No. 7-9 of the Table-IV having re-determined value of Rs. 3,90,415/- are liable for confiscation under Sections 111(m) of the Customs Act, 1962.

viii. The importer, M/s. RSE India Private Limited (IEC: AAMCR3913Q), is liable for penalties under Sections 112(a)(i), 112(a)(ii), and 114AA of the Customs Act, 1962.

10.1 Accordingly, an Investigation report 148/2026-27 dated 21.08.2026 has been issued by the SIIB, Mundra Customs.

WRITTEN SUBMISSION AND PERSONAL HEARING

11. M/s. RSE India Pvt Ltd, Importer, vide their letter dated 22.09.2026 has requested for waiver of Show Cause Notice and Personal Hearing. Further vide their another letter of same date 22.09.2026, importer submitted that as per Government of India Notification, BIS on Screws has been removed w.e.f. 20th June, 2026; that hence Screws are exempted from BIS and are eligible for release; that for Hinges, they are ready to re-export the same at their own cost as they cannot comply with BIS formalities for the same.

DISCUSSION AND FINDINGS

12. I have carefully gone through the Investigation Report No. 148/2026-27 dated 21.08.2026 forwarded by SIIB, Custom House, Mundra, the relied upon documents and all other material available on record. I note that M/s. RSE India Private Limited, vide their email dated 17.08.2026 and letter dated 22.09.2026, has requested waiver of Show Cause Notice and Personal Hearing, has accepted the CE valuation, has stated that BIS on screws has been removed w.e.f. 20.06.2026 and hence the Screws are eligible for release, and has further stated that they are ready to re-export the Furniture Fitting Hinges at their own cost as they cannot comply with BIS formalities for the same. The case is accordingly being decided on the basis of the Investigation Report, the relied upon documents, the written submission/letter of the importer and all other material evidence available on record. I am satisfied that the principles of natural justice have been duly complied with, inasmuch as M/s. RSE India Private Limited has voluntarily waived the Show

Cause Notice and Personal Hearing under the first proviso to Section 124 of the Customs Act, 1962, and the matter is accordingly being disposed of on merits.

12.1 On a careful perusal of the Investigation Report and case records, I find that the following main issues arise for consideration and determination in this case:

(i) Whether the declared description, quantity and classification of the goods covered under Z-Bill of Entry No. 2366940 dated 07.07.2026 are liable to be rejected and re-determined as per Table-II and Table-IV above;

(ii) Whether the declared assessable value of **Rs. 21,71,417/-** (Rupees Twenty-One Lakh Seventy-One Thousand Four Hundred and Seventeen Only) is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined as **Rs. 32,79,500/-** (Rupees Thirty-Two Lakh Seventy-Nine Thousand Five Hundred Only) as per CE Valuation Report No. AYK:VAL:02998:2026;

(iii) Whether Z-Bill of Entry No. 2366940 dated 07.07.2026 is liable to be re-assessed under Section 17(4) of the Customs Act, 1962;

(iv) Whether the goods at Sr. No. 1 and 2 of Table-IV — Staple Pins, are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962;

(v) Whether the goods at Sr. No. 3 of Table-IV — Furniture Fitting Hinges (SS), are liable for confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962 on account of MIP and BIS non-compliance;

(vi) Whether the goods at Sr. No. 4-6 of Table-IV — Drywall Screws, are liable for confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962 on account of SIMS non-compliance;

(vii) Whether the goods at Sr. No. 7-9 of Table-IV — Visitor Chairs, are liable for confiscation under Section 111(m) of the Customs Act, 1962;

(viii) Whether penalty is imposable on M/s. RSE India Private Limited under Sections 112(a)(i), 112(a)(ii) and 114AA of the Customs Act, 1962.

13. FIRST ISSUE — RE-DETERMINATION OF DESCRIPTION, QUANTITY AND CLASSIFICATION:

13.1 I find that M/s. RSE India Private Limited filed Z-Bill of Entry No. 2366940 dated 07.07.2026 declaring nine items covering goods described as "Iron Pins," "Furniture Fitting Hinges," "Screw" and "Visitor Chair" under various CTHs. During physical examination conducted under Panchnama dated 20.07.2026 at M/s. Shoolin Trade Link LLP, APSEZ, Mundra, 2521 corrugated cartons were found. On detailed examination, the following discrepancies were found in the declared description, classification and quantity:

(i) Iron Pins → Staple Pins (Sr. No. 1 & 2): The goods declared as "Iron Pin" under CTH 73170091 were found on physical examination to be Staple Pins intended for use in pneumatic staplers — clearly distinguishable from ordinary iron pins in terms of their shape, intended use and applicable tariff classification. Total quantity actually found was 8,113.5 Kgs (Sr. 1: 1,803 Kgs + Sr. 2: 6,310.5 Kgs), as against the total declared quantity of 7,126.90 Kgs, resulting in excess quantity of 986.6 Kgs. Staple Pins in strips are correctly classifiable under CTH 83052000 ("Staples in strips") under Chapter 83 of the Customs Tariff. The declared CTH 73170091 (Chapter 73 — articles of iron or steel) is incorrect in both description and classification.

(ii) Furniture Fitting Hinges (Sr. No. 3): The goods declared as "Furniture Fitting Hinges" under CTH 83021090 (Other mountings, fittings and similar articles) were found on physical examination to be Furniture Fitting Hinges made of Stainless Steel (SS), correctly classifiable under CTH 83021010 (Base metal mountings — Hinges). While the CTH change is within the same 4-digit heading, the specific CTI changes on account of material, and the re-determined quantity of 1,994 Kgs was found as against total declared quantity of 1776.50 Kgs.

(iii) Screws (Sr. No. 4-6): The goods declared as "Screw" under CTH 73181500 were found on physical examination to be Drywall Screws of three different sizes (5.6", 5.4" and 2.4") with total quantity of 13,334 Kgs (Sr. 4: 5,831 Kgs, Sr. 5: 5,250 Kgs, Sr. 6: 2,253 Kgs). The CTH 73181500 remains the same for Drywall Screws. The specific description "Drywall Screw" has been re-determined in place of the generic description "Screw."

(iv) Visitor Chairs (Sr. No. 7-9): The goods declared as "Visitor Chair" under CTH 94032090 (Other furniture, other) were found to be Visitor Chairs (in different pack

configurations — 6 pcs per carton in two variants, 5 pcs per carton in one variant) with total quantity of 702 Pcs. These are correctly classifiable under CTH 94017900 (Seats — Other). The quantities were found consistent with the declared quantities.

13.2 I find that the importer has, vide their letter dated 22.09.2026, accepted the Chartered Engineer's valuation and has not contested the re-determined description, quantity and classification. Accordingly, I accept the re-determined description, quantity and classification as set out in Table-IV above.

14. SECOND ISSUE — REJECTION OF DECLARED VALUE AND RE-DETERMINATION OF ASSESSABLE VALUE:

14.1 I find that the declared assessable value of Rs. 21,71,417/- in Z-Bill of Entry No. 2366940 dated 07.07.2026 cannot be accepted as the true and correct transaction value of the imported goods under Section 14 of the Customs Act, 1962 read with Rule 3 of the CVR, 2007. The declared invoice value pertains to goods that were found to be mis-declared in description, classification and quantity. The declared value is accordingly liable to be rejected under Rule 12 of the CVR, 2007.

14.2 Since comparable contemporaneous import data for the mis-declared goods was not readily available for application of Rules 4 to 8 of the CVR, 2007, the assessable value is required to be determined under Rule 9 (Residual Method) of the CVR, 2007. The Chartered Engineer Shri Anwar Y. Kukad submitted his Valuation Report vide AYK:VAL:02998:2026 dated 13.08.2026, valuing the goods at a total of USD 34,448.53 equivalent to Rs. 32,79,500/- at the exchange rate of Rs. 95.2 per USD. M/s. RSE India Private Limited has accepted the CE's valuation vide their email dated 17.08.2026 and letter dated 22.09.2026 without any objection.

14.3 I accordingly reject the declared assessable value of Rs. 21,71,417/- (Rupees Twenty-One Lakh Seventy-One Thousand Four Hundred and Seventeen Only) under Rule 12 of the CVR, 2007 and re-determine the assessable value at Rs. 32,79,500/- (Rupees Thirty-Two Lakh Seventy-Nine Thousand Five Hundred Only) under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962.

15. THIRD ISSUE — RE-ASSESSMENT AND RECOVERY OF DIFFERENTIAL DUTY:

15.1 I find that on the basis of the re-determined description, classification, quantity and assessable value, the total re-determined duty liability on all goods releasable for home consumption (i.e., all goods except the Furniture Fitting Hinges at Sr. No. 3) works out to Rs. 10,90,741/- as detailed in Table-VI, above. Against this, the importer had declared duty as Rs. 7,78,287/- in the self-assessed Bill of Entry. The differential duty accordingly works out to **Rs. 3,12,454/- (Rupees Three Lakh Twelve Thousand Four Hundred and Fifty-Four Only)**.

15.2 I accordingly order re-assessment of Z-Bill of Entry No. 2366940 dated 07.07.2026 under Section 17(4) of the Customs Act, 1962 and levy of differential duty of **Rs. 3,12,454/-** from M/s. RSE India Private Limited, during the re-assessment.

16. FOURTH ISSUE — CONFISCATION OF STAPLE PINS (SR. NO. 1 & 2 OF TABLE-IV):

16.1 I find that the goods at Sr. No. 1 and 2 of Table-IV — declared as "Iron Pins" under CTH 73170091 but found on examination to be Staple Pins (CTH 83052000) — do not correspond with the entry made in Z-Bill of Entry No. 2366940 dated 07.07.2026 in respect of description, classification and quantity. The declared quantity of 7,126.90 Kgs is lower than the quantity actually found (8,113.5 Kgs) by 986.6 Kgs, and the declared description and classification are entirely at variance with the actual goods. The goods are accordingly liable for confiscation under Section 111(l) (excess quantity not included in the entry) and Section 111(m) (goods not corresponding in description, classification and value with the entry made) of the Customs Act, 1962.

16.2 I note that Staple Pins (CTH 83052000) are freely importable goods not subject to any prohibition or restriction. In terms of Section 125(1) of the Customs Act, 1962, in the case of non-prohibited goods, the adjudicating authority shall give the owner an option to pay a fine in lieu of confiscation. I accordingly give M/s. RSE India Private Limited an option to redeem the Staple Pins (total 8,113.5 Kgs, re-determined value Rs. 5,02,063/-) for home consumption on payment of redemption fine under Section 125(1) of the Customs Act, 1962, subject to payment of all applicable customs duty and charges.

17. FIFTH ISSUE — CONFISCATION OF FURNITURE FITTING HINGES (SR. NO. 3 OF TABLE-IV) — RE-EXPORT:

17.1 I find that the Furniture Fitting Hinges (SS) at Sr. No. 3 of Table-IV (CTH 83021010, 1,994 Kgs, re-determined value Rs. 5,59,995/-) are subject to two independent grounds of confiscation:

(i) BIS Non-Compliance — Hinges Quality Control Order, 2025: I find that Furniture Fitting Hinges (Stainless Steel) are subject to mandatory BIS compliance under the Hinges (Quality Control) Order, 2025 issued under Section 16 of the Bureau of Indian Standards Act, 2016. The importer has not produced any BIS registration certificate in respect of these goods. Import of goods in contravention of mandatory BIS requirements constitutes import of goods contrary to a prohibition imposed under other laws for the time being in force, rendering the goods liable for confiscation under **Section 111(d)** of the Customs Act, 1962.

(ii) MIP Non-Compliance: I find that as per Notification No. 14/2025-26 dated 26.05.2025, the import of goods under CTH 83021010 is restricted to a Minimum Import Price (MIP) of Rs. 280/- per Kg. In the present case, the importer has imported the Furniture Fitting Hinges at a declared CIF value of approximately Rs. 49.3/- per Kg — far below the prescribed MIP of Rs. 280/- per Kg. Import of goods at a CIF value below the prescribed MIP constitutes import of goods contrary to the policy condition imposed by the said Notification, rendering the goods liable for confiscation under **Section 111(d)** of the Customs Act, 1962 on this ground as well.

(iii) Mis-declaration of description, quantity and classification: The goods were declared as "Furniture Fitting Hinges" under CTH 83021090, whereas the goods are correctly classifiable as Furniture Fitting Hinges (Stainless Steel) under CTH 83021010, rendering the goods liable for confiscation under **Section 111(m)** of the Customs Act, 1962. The quantity found is in excess of the declared quantity, additionally rendering the excess goods liable under **Section 111(l)** of the Customs Act,1962.

17.2 I note that M/s. RSE India Private Limited vide their letter dated 22.09.2026 has specifically stated that they are ready to re-export the Furniture

Fitting Hinges at their own cost as they cannot comply with BIS formalities for the same. The goods are prohibited on account of BIS non-compliance and MIP violation, and are not fit for clearance for home consumption. No BIS certificate having been produced and the MIP condition having been violated, clearance for home consumption is not permissible. Ordering absolute confiscation would not serve any meaningful revenue purpose. I accordingly give M/s. RSE India Private Limited an option to redeem the Furniture Fitting Hinges (SS) (1,994 Kgs, re-determined value Rs. 5,59,995/-) for **re-export purpose only**, on payment of redemption fine under Section 125(1) of the Customs Act, 1962, subject to payment of all applicable customs duty and charges.

18. SIXTH ISSUE — CONFISCATION OF DRYWALL SCREWS (SR. NO. 4-6 OF TABLE-IV):-

18.1 SIMS Non-Compliance: I find that Drywall Screws (CTH 73181500) fall under Chapter 73 of the Customs Tariff and are accordingly subject to mandatory advance SIMS registration under Policy Conditions 2 and 3 of Chapter 73 of ITC(HS), 2022. As per the Ministry of Steel Notice dated 19.02.2026 (effective 20.02.2026), SIMS registration must be obtained not later than 3 days before the expected date of arrival of the consignment. The importer has produced SIMS Certificate No. MOSSIMS070726608038 dated 07.07.2026. However, I find that this SIMS registration was obtained on 07.07.2026 — the very date of the Bill of Entry — whereas the vessel's entry inward date precedes the date of BE filing. Accordingly, the SIMS registration was obtained after the entry inward of the vessel (01.07.2026), which constitutes non-compliance with the mandatory requirement of advance SIMS registration. The goods are accordingly liable for confiscation under **Section 111(d)** of the Customs Act, 1962 on account of SIMS non-compliance.

18.2 The mis-declaration of the Drywall Screws, declared as "Screw," and import of excess quantity attracting Sections 111(l) and 111(m) of the Customs Act, 1962. I accordingly find that the goods at Sr. No. 4-6 of Table-IV — Drywall Screws, total 13,334 Kgs, re-determined value Rs. 18,27,027/- — are liable for confiscation under **Sections 111(d), 111(l) and 111(m)** of the Customs Act, 1962.

18.3 Redemption Fine Under Section 125 of the Customs Act, 1962:

18.3.1 I find that Section 125(1) of the Customs Act, 1962 reads as under:

> *"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 an option to pay in lieu of confiscation such fine as the said officer thinks fit."*

18.3.2 A plain reading of the above provision shows that imposition of redemption fine is an option in lieu of confiscation, is a statutory discretion vested in the adjudicating authority. It is well established that the import of goods, namely Drywall Screws (CTH 73181500), is regulated, conditional, and subject to registration compliances. The confiscation ordered herein under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962 is a legal consequence arising from the initial procedural non-fulfilment of statutory requirements — specifically, the non-compliance with mandatory advance SIMS registration under Policy Conditions 2 and 3 of Chapter 73 of ITC(HS), 2022 (SIMS certificate obtained on 07.07.2026 after the vessel's entry inward), and discrepancies in the declared description and valuation of the goods.

18.3.3 I find that the question to be decided, whether under the first part of Section 125(1) of the Customs Act, 1962, the imported should be given the option of paying a fine in lieu of confiscation of subject imported goods "Drywall Screw". In deciding this, I have considered the nature of the non-compliance involved. The requirement of prior registration under the Steel Import Monitoring System (SIMS) in terms of Policy Condition No. 2 and 3 of Chapter 73 is primarily a regulatory monitoring mechanism rather than an outright trade ban. While the importer delayed compliance, obtaining the SIMS registration on 07.07.2026 (post-IGM inward), the necessary registration has nonetheless been produced on record prior to clearance. Such procedural lapse, while actionable under penal provisions, does not permanently taint the goods or render them unfit for domestic entry.

In view of the above, I am of the considered opinion that it is appropriate and proportionate to allow the Drywall Screws to be redeemed for home consumption,

on payment of redemption fine and subject to payment of all applicable duty. The imposition of an appropriate redemption fine under Section 125 of the Customs Act, 1962, coupled with penalties under Sections of the Customs Act, 1962 is sufficient to purge the violations, safeguard government revenue, and serve as an effective deterrent.

19. SEVENTH ISSUE — CONFISCATION OF VISITOR CHAIRS (SR. NO. 7-9 OF TABLE-IV):

19.1 I find that the Visitor Chairs (CTH 94017900, total 702 Pcs, re-determined value Rs. 3,90,415/-) at Sr. No. 7-9 of Table-IV were declared under CTH 94032090 in the Bill of Entry, whereas the correct CTH is 94017900 (Seats — Other). The declared value also does not correspond to the re-determined value as per the CE Report. The goods do not correspond with the entry made in the Bill of Entry in respect of classification and value, rendering them liable for confiscation under **Section 111(m)** of the Customs Act, 1962.

19.2 I find that the Furniture (Quality Control) Order, 2025 published vide S.O. 801(E) dated 13.02.2025, mandates compulsory BIS Standard Mark certification for furniture covered by the specified Indian Standards including those applicable to Visitor Chairs. The QCO came into force on 13.02.2026. The importer has not produced any BIS registration certificate in respect of the Visitor Chairs. I further find that the Furniture (Quality Control) Order, 2025 was amended by the Furniture (Quality Control) Second Amendment Order, 2026, published vide S.O. 1125(E) in the Gazette of India Extraordinary dated **02.03.2026**, which inserted the following provisos in paragraph 2 of the principal QCO:

"Provided also that nothing in the order shall apply to imports of such goods or articles in consignment with Bill of Lading having shipped before the date of implementation of the order and Bill of Entry on or before one hundred and eighty days after the date of implementation of the Order:

Provided also that nothing in the order shall apply to imports of goods or articles where the purchase order for such goods or articles were placed before the date of implementation of the order, and the Bill of the Lading and the Bill of Entry in respect of such goods or articles are dated on or before one hundred and eighty days from

the date on which the said order came into force and the importer shall provide the Bureau in its letter head duly signed by its authorised signatory, a copy of the purchase order, the Bill of Lading and Bill of Entry and other supporting documents within seven days of clearance of such consignment."

19.2.1 I find that the importer, M/s. RSE India Private Limited, has produced:

- Purchase Order No. PO-RSE-023 dated 20.01.2026 and corresponding Sales Contract No. CN-SC/2026/RSE-013 dated 21.01.2026, both of which predate the implementation date of the QCO (13.02.2026).
- Bill of Lading No. MEDUY7316845 dated 12.06.2026 — falls within 180 days of 13.02.2026 (i.e., on or before 13.08.2026).
- Bill of Entry No. 2366940 dated 07.07.2026 — falls within 180 days of 13.02.2026.

19.2.2 I accordingly find that the conditions for exemption under the second proviso inserted by the Furniture (Quality Control) Second Amendment Order, 2026 dated 02.03.2026 are satisfied. However, the condition that the importer provide to the Bureau of Indian Standards, on its letter head duly signed by its authorized signatory, a copy of the Purchase Order, the Bill of Lading, the Bill of Entry and other supporting documents within seven days of clearance — is directed to be complied with by the importer as a condition of clearance.

19.2.3 I accordingly hold that the imported Visitor Chairs (CTH 94017900) are exempt from the mandatory BIS certification requirement under the Furniture (Quality Control) Order, 2025 as amended by the Furniture (Quality Control) Second Amendment Order, 2026. The goods are not prohibited goods on account of BIS non-compliance and may be cleared for home consumption, subject to the importer's compliance with the documentation condition above.

19.3 Since the Visitor Chairs are non-prohibited goods, Section 125(1) of the Customs Act, 1962 mandates that the importer shall be given an option to pay a fine in lieu of confiscation. I accordingly give M/s. RSE India Private Limited an option to redeem the Visitor Chairs (702 Pcs, re-determined value Rs. 3,90,415/-) for **home consumption** on payment of redemption fine under Section 125(1) of the Customs Act, 1962, subject to: (a) payment of all applicable customs duty, differential duty and interest; and (b) the importer furnishing the prescribed

documents to the Bureau of Indian Standards within seven days of clearance in terms of the Furniture (Quality Control) Second Amendment Order, 2026 dated 02.03.2026.

20. EIGHTH ISSUE — PENALTIES:

20.1 Penalty under Section 112(a)(i) of the Customs Act, 1962:-

I find that M/s. RSE India Private Limited imported Furniture Fitting Hinges (SS) in contravention of the mandatory BIS certification requirement under the Hinges (Quality Control) Order, 2025 and in violation of the Minimum Import Price (MIP) of Rs. 280/Kg prescribed vide Notification No. 14/2025-26 dated 26.05.2025 — importing at a declared CIF value of Rs. 49.3/Kg, which is far below the prescribed MIP. These goods are prohibited goods on both counts and were rendered liable to confiscation under Section 111(d) of the Customs Act, 1962.

I further find that M/s. RSE India Private Limited imported Drywall Screws without obtaining advance SIMS registration as mandated under Policy Conditions 2 and 3 of Chapter 73 of ITC(HS), 2022, and in conditions amounting to SIMS non-compliance — rendering these goods liable to confiscation under Section 111(d) of the Customs Act, 1962.

In respect of both categories of goods (Furniture Fitting Hinges and Drywall Screws), M/s. RSE India Private Limited has rendered itself liable for penalty under **Section 112(a)(i)** of the Customs Act, 1962.

20.2 Penalty under Section 112(a)(ii) of the Customs Act, 1962:-

I find that M/s. RSE India Private Limited mis-declared the Staple Pins as "Iron Pins" under CTH 73170091, imported them in excess of the declared quantity, and undervalued the same. I also find that the Visitor Chairs were declared under an incorrect CTH (94032090 instead of 94017900) and were undervalued as compared to the re-determined CE value. Both these categories are non-prohibited, dutiable goods. The mis-declarations and undervaluation resulted in evasion of customs duty. Accordingly, M/s. RSE India Private Limited has

rendered itself liable for penalty under **Section 112(a)(ii)** of the Customs Act, 1962 in respect of these goods.

20.3 Penalty under Section 114AA of the Customs Act, 1962:

I find that M/s. RSE India Private Limited knowingly and intentionally caused to be made, signed and used the Z-Bill of Entry No. 2366940 dated 07.07.2026 and supporting documents — including the commercial invoice, packing list and Bill of Lading — which contained false and incorrect particulars in material respects of description, quantity and valuation of the imported goods. These constitute knowing or intentional use of false or incorrect declarations in material particulars in the transaction of customs business for the purposes of the Customs Act, 1962. Accordingly, M/s. RSE India Private Limited has rendered itself liable for penalty under **Section 114AA** of the Customs Act, 1962.

21. In view of the aforesaid discussions and findings, I pass the following order:

ORDER

(i) I order to reject the declared description, classification and quantity of the goods covered under Z-Bill of Entry No. 2366940 dated 07.07.2026 and re-determine the same as per Table-IV of the Investigation Report reproduced at Para 13 above.

(ii) I reject the declared assessable value of **Rs. 21,71,417/-** (Rupees Twenty-One Lakh Seventy-One Thousand Four Hundred and Seventeen Only) under Rule 12 of the CVR, 2007 and re-determine the assessable value at Rs. **32,79,500/-** (Rupees Thirty-Two Lakh Seventy-Nine Thousand Five Hundred Only) under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962.

(iii) I order re-assessment of Z-Bill of Entry No. 2366940 dated 07.07.2026 under Section 17(4) of the Customs Act, 1962 in accordance with the re-determined description, classification, quantity and assessable values.

(iv) I order confiscation of 8,113.5 Kgs of Staple Pins (CTH 83052000) having re-determined assessable value of **Rs. 5,02,063/-** (Rupees Five Lakh Two Thousand

and Sixty-Three Only), imported vide Z-Bill of Entry No. 2366940 dated 07.07.2026, under Sections 111(l) and 111(m) of the Customs Act, 1962. However, I give M/s. RSE India Private Limited an option to redeem the said goods for **home consumption** on payment of Redemption Fine of **Rs. 50,000/- (Rupees Fifty Thousand Only)** under Section 125(1) of the Customs Act, 1962, subject to payment of applicable customs duty and charges.

(v) I order confiscation of 1,994 Kgs of Furniture Fitting Hinges (SS) (CTH 83021010) having re-determined assessable value of **Rs. 5,59,995/-** (Rupees Five Lakh Fifty-Nine Thousand Nine Hundred and Ninety-Five Only), imported vide Z-Bill of Entry No. 2366940 dated 07.07.2026, under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962. However, I give M/s. RSE India Private Limited an option to redeem the said goods for **re-export purpose only**, on payment of Redemption Fine of **Rs. 55,000/- (Rupees Fifty Five Thousand Only)** under Section 125(1) of the Customs Act, 1962, as discussed above.

(vi) I order confiscation of 13,334 Kgs of **Drywall Screws (CTH 73181500)** having re-determined assessable value of **Rs. 18,27,027/-** (Rupees Eighteen Lakh Twenty-Seven Thousand and Twenty-Seven Only), imported vide Z-Bill of Entry No. 2366940 dated 07.07.2026, under Sections **111(d), 111(l) and 111(m)** of the Customs Act, 1962. However, I give M/s. RSE India Private Limited an option to redeem the said goods for **home consumption** on payment of Redemption Fine of **Rs. 1,80,000/- (Rupees One Lakh Eighty Thousand Only)** under Section 125(1) of the Customs Act, 1962, as discussed above.

(vii) I order confiscation of 702 Pcs of **Visitor Chairs (CTH 94017900)** having re-determined assessable value of **Rs. 3,90,415/-** (Rupees Three Lakh Ninety Thousand Four Hundred and Fifteen Only), imported vide Z-Bill of Entry No. 2366940 dated 07.07.2026, under Section **111(m)** of the Customs Act, 1962. However, I give M/s. RSE India Private Limited an option to redeem the said goods for **home consumption** on payment of Redemption Fine of **Rs. 35,000/- (Rupees Thirty Five Thousand Only)** under Section 125(1) of the Customs Act, 1962, subject to condition that the importer will furnish to the Bureau of Indian Standards, on its letter head duly signed by its authorized signatory, a copy of the Purchase Order, the Bill of Lading, the Bill of Entry and other supporting

documents within seven days of clearance of the consignment, in terms of the Furniture (Quality Control) Second Amendment Order, 2026 dated 02.03.2026.

(viii) I impose a penalty of **Rs. 1,20,000/- (Rupees One Lakh Twenty Thousand Only)** on **M/s. RSE India Private Limited (IEC: AAMCR3913Q)** under Section 112(a)(i) of the Customs Act, 1962.

(ix) I impose a penalty of **Rs. 20,000/- (Rupees Twenty Thousand Only)** on **M/s. RSE India Private Limited (IEC: AAMCR3913Q)** under Section 112(a)(ii) of the Customs Act, 1962.

(x) I impose a penalty of **Rs. 25,000/- (Rupees Twenty Five Thousand Only)** on **M/s. RSE India Private Limited (IEC: AAMCR3913Q)** under Section 114AA of the Customs Act, 1962.

22. This Order-in-Original is issued without prejudice to any other action that may be taken against M/s. RSE India Private Limited or any other person under the provisions of the Customs Act, 1962, or any rules/regulations/notifications made thereunder, or under any other law for the time being in force.

Digitally signed by Dipakbhai Zala
Date: 15-10-2026 16:08:34

(DIPAK ZALA)

Additional Commissioner of Customs,

Mundra Customs

To,

M/s. RSE India Private Limited (IEC-AAMCR3913Q)
Add: 6/A, Kh. No-7/6, Nilothi Extension, New Delhi,
Shri Ram Colony, New Delhi, West Delhi, Delhi-110041

Copy to:

1. The Additional Commissioner (SIIB), Customs House, Mundra

2. The Dy./Asstt. Commissioner (RRA/TRC), Customs House, Mundra
3. The Dy./Asstt. Commissioner (EDI), Customs House, Mundra