

	OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS CUSTOMS HOUSE, MP & SEZ MUNDRA, KUTCH-GUJARAT -370421 Email: Group6-mundra@gov.in	
A FILE NO. फाइल संख्या	CUS/APR/INV/46/2026-Gr 5-6-O/o Pr Commr-Cus-Mundra	
B OIO NO. आदेश संख्या	MCH/ADC/ZDC/573/2025-26	
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	.01.2026	
E DATE OF ISSUE जारी करने की तिथि	.01.2026	
F SCN No. & Date कारण बताओ नोटिस क्रमांक	Waived.	
G NOTICEE/ PARTY/ IMPORTER नोटिसकर्ता/पार्टी/आयातक	M/s. Quartz Mobitech Solutions India Private Limited (IEC-AAACQ6835A)	
H DIN/दस्तावेज पहचान संख्या	20260171MO0000888A56	

1. यहआदेश संबन्धित 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),
HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN
ROAD,**

NAVRANGPURA, AHMEDABAD-380 009.”

3. उक्तअपील यहआदेश भेजने की दिनांक से 60दिन 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 अनुसूची1-के अनुसार न्यायालय शुल्क अधिनियम 1870-के मद सं० 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, 1982और सीमाशुल्क अधिनियम, 1962के 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

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M/s. Quartz Mobitech Solutions India Private Limited (IEC-AAACQ6835A), having its registered office at T/F, 16/10515, Prop No. 5/9, PVT. NO. 302, West Extn. Area, Karol Bagh, New Delhi-110005 (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. 6121816 dated 05.12.2025. The examination of the above said consignment was carried out by the officers of SIIB on 07.01.2026 in the presence of the importer’s authorized representative Shri Pranjal Singh

under Panchnama dated 07.01.2026 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.	BE no. /date	Container No.	Seal no.	BL no. /date	Goods declared	
					HSN	Items
1	6121816 (Z-Type) dated 05.12.2025	KMTU9444658	CF715590	KMTCNB09158683 dated 05.11.2025	95066990	PVC Ball
					95066990	Rubber Ball
					49019900	Clay Craft
					96091000	Colour Pencil Kit
					96082000	Marker Pen
					39269099	PVC Sheet for Back Cover
					85151900	Wire Soldering Machine for USB Cable
					84807900	Mini Mould for USB Cable

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

The officer of SIIB section, CH Mundra, conducted the examination of the impugned goods stuffed into the container no. KMTU9444658 covered under the Z-Bill of Entry No. 6121816 dated 05.12.2025 under Panchnama dated 07.01.2026. 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. N.	Bill of Entry no. and Date	Container No.	B/L weight (Kg)	Cargo Weight as per SEZ Unit weightment slip(Kg)

1	6121816 dated 05.12.2025 (Z type)	KMTU9444658	23980	23850
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2.1. During the course of examination of the impugned goods, after complete de-stuffing, 793 Corrugated Boxes and PP bags were found. The complete details of the goods found during examination are as below:

Table-III

Sr. No.	DESCRIPTION	No. of cartons Found on Examination	Quantity per Carton	Total No. of Pcs/Set
1	Rubber Ball	180	500	90000
2	PVC Ball	140	288	40320
3	Marker Pen	50	3000	150000
4	Clay Craft	50	240	12000
5	Mobile Back Cover	359	400	143600
6	Water Colour Set (Crayon Set)	14	6	84
Total		793		

Further, on examination of the goods, the officer prima facie noticed that the goods were mis-declared by the importer in respect of Description and quantity. The importer has also not declared the goods "Mobile Back cover" in the BE. Further, the importer has also mis-declared quantity of almost all declared goods. The importer has declared total 08 items in the BE and the goods found during the examination are in different marking, packing and quantity and the same is tabulated above in Table-III.

3. **Classification of the Goods:**

The importer has declared 08 items in the said BE. However, during the course of examination, the goods was found mis-declared in terms of description and quantity. The undeclared goods was also found during examination. The re-determined CTH of the goods found during examination is as below:

A. **Clay Craft:**

The importer has mis-declared the CTH 49019900. The correct Classification of the said goods is under CTH 34070090 and the relevant extract of the CTH is as below:

3407 MODELLING PASTES, INCLUDING THOSE PUT UP FOR CHILDREN'S

AMUSEMENT; PREPARATIONS KNOWN AS –DENTAL WAX OR AS –DENTAL IMPRESSION COMPOUNDS, PUT UP IN SETS, IN PACKINGS FOR RETAIL SALE OR IN PLATES, HORSESHOE SHAPES, STICKS OR SIMILAR FORMS; OTHER PREPARATIONS FOR USE IN DENTISTRY, WITH A BASIS OF PLASTER (OF CALCINED GYPSUM OR CALCIUM SULPHATE)

3407 00 - Modelling pastes, including those put up for children’s amusement; preparations known as “dental wax” or as “dental impression compounds”, put up in sets, in packings for retail sale or in plates, horseshoe shapes, sticks or similar forms; other preparations for use in dentistry, with a basis of plaster (of calcined gypsum or calcium sulphate):

3407 00 10 --- Modelling pastes, including those put up for kg. children’s amusement

3407 00 90 --- Other

From the above it clearly appears that the goods rightly classifiable under CTH 34070090.

B. Mobile Back cover:

As far as the entries at heading level are concerned, heading 3926 covers “Other Articles of Plastic” which reads as under:

3926 OTHER ARTICLES OF PLASTICS AND ARTICLES OF OTHER MATERIALS OF HEADINGS 3901 TO 3914

--- Other:

39269091---- Of polyurethane foam

39269099---- Other

From the above it appears that the said goods are rightly classifiable under CTH 39269099.

The details of all the goods with declared/re-determined CTH is as follows.

Table-IV

Sr. No.	Goods found during examination	Declared CTH	Re-determined CTH
1	Rubber Ball	95066990	95066990
2	PVC Ball	95066990	95066990
3	Marker Pen	96082000	96082000
4	Clay Craft	49019900	34070090

5	Mobile Back Cover	-	39269099
6	Water Colour Set (Crayon Set)	96091000	96091000

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Valuation of the Goods:

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4. Further, as goods found during examination in the subject Bill of Entry were mis-declared in terms of Description and classification and undeclared goods were also found. 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 undeclared/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 Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. ABJ:INSP:CE:SIIB:MUN:SH:GLIPL:25-26:26 dated 17.01.2026 wherein, he has reported the value of the cargo as tabulated below:

Table-V

Sr. no.	Item	Unit	Quantity found on examination in PCS	Suggestive value per PCS in USD	Suggestive Present CIF value in USD	Suggestive Present CIF value in INR (1 USD= 88.85 INR)
1	Rubber Ball	PCS	90000	0.09	8100	739530
2	PVC Ball	PCS	40320	0.07	2822.4	257685
3	Marker Pen	PCS	150000	0.022	3300	301290
4	Clay Craft	PCS	12000	0.13	1560	142428
5	Mobile Back Cover	PCS	143600	0.045	6462	589981
6	Water Colour Set	SET	84	3.29	276.36	25232

(Crayon Set)					
Total				22520.76	20,56,145/-

4.6. Whereas, it appears that, the assessable value of Rs. 12,37,279/- declared by the importer in the Z-Bill of Entry No. 6121816 dated 05.12.2025 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. 20,56,145/- 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:**

All the goods found during the examination are freely importable after paying of applicable Customs Duty.

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

On the basis of re-determined value of the goods in above Table-VI, duty leviable on goods imported vide B/E No. 6121816 dated 05.12.2025 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	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 20%	SWS @ 10%	IGST @ 5%	Total applicable Duty in Rs.
1	Rubber Ball	95066990	90000	739530	147906	14791	45111	207808
2	PVC Ball	95066990	40320	257685	51537	5154	15719	72410
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 10%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
3	Marker Pen	96082000	150000	301290	30129	3013	60198	93340
4	CLAY CRAFT	34070090	12000	97570	9757	976	19494	30227
Sr. no.	Item Description	Declared/ Re-determined	Total Qty found during examination in	Suggestive Present CIF value(as per CE)	BCD @ 15%	SWS @ 10%	IGST @ 18%	Total applicable Duty in

		CTH	PCS	in Rs.				Rs.
5	Mobile Back Cover	39269099	143600	589981	88497	8850	123719	221066
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 10%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
7	Water Colour Set (Crayon Set)	96091000	84	25232	2523	252	0	2775
Total				20,56,145/-	334835	33484	273204	6,41,522/-

The total re-determined value of the goods releasable for Home Consumption comes to Rs. 20,56,145/- and the total re-determined Duty for the said releasable goods comes to Rs. 6,41,522/- instead of the declared duty for the same i.e. Rs. 3,82,756/-. The differential duty of said releasable goods comes to Rs. 2,58,766/-.

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. Quartz Mobitech Solutions India Private Limited, T/F, 16/10515, Prop No. 5/9, PVT. NO. 302, West Extn. Area, Karol Bagh, New Delhi-110005 (IEC: AAACQ6835A), under Z-Bill of Entry No. 6121816 dated 05.12.2025, covering container KMTU9444658. The examination conducted on 07.01.2026, 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. KMTU9444658 covered under the Z-Bill of Entry No. 6121816 dated 05.12.2025 under Panchnama dated 07.01.2026. During the course of examination of the impugned goods, after complete de-stuffing, 793 Corrugated Boxes and PP Bags were found. Further, on examination of the goods, the officer prima facie noticed that the goods mentioned at Sr. No. 6, 7 and 8 of the BE are not found during the examination and the goods Mobile Back Cover was not declared by the importer.

7.2. **Classification of the Goods:**

The declared CTH of the mostly goods found during the examination and declared by the importer is found correct as per Customs Tariff, 1975. Further,

the goods Mobile Back Cover found during the examination are misdeclared in terms of description and classification. whereas the goods declared as Clay Craft are misdeclared in terms of classification. The re-determined CTH of the said goods are as below:

- i. Clay Craft-34070090.
- ii. Mobile Back Cover-39269099.

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 Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. ABJ:INSP:CE:SIIB:MUN:SH:GLIPL:25-26:26 dated 17.01.2026. It appears that, the assessable value of Rs. 12,37,279/- declared by the importer in the Z-Bill of Entry No. 6121816 dated 05.12.2025 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. 20,56,145/- 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. 20,56,145/- and the total re-determined Duty for the said releasable goods comes to Rs. 6,41,522/- instead of the declared duty for the same i.e. Rs. 3,82,756/-. The differential duty of said releasable goods comes to Rs. 2,58,766/-.

7.5. Importability and Policy Compliance:

All the goods found during the examination are freely importable after paying of applicable Customs Duty.

7.6. Confiscation of Goods and Penal Action:

In view of the above, it is evident that the importer, M/s. Quartz Mobitech Solutions India Private Limited, has imported the goods covered under Bill of Entry No. 6121816 dated 05.12.2025 by way of mis-declaration in quantity, description and classification. Therefore, the goods found during the examination are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962. The importer's actions indicate an intent to evade customs

duty, violating Section 46(4) of the Customs Act, 1962 (false declaration in Bill of Entry). Consequently, the importer is liable for penalties under Sections 112(a)(ii) and 114AA of the Customs Act, 1962, for knowingly submitting false documents and attempting to evade duties.

8. 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:-

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

- i. The declared description, quantity and classification of the goods imported vide Z-Bill of Entry No. 6121816 dated 05.12.2025, filed by the Importer M/s. Quartz Mobitech Solutions India Private Limited, are liable to be rejected due to mis-declaration and mis-classification, as detailed above and the same needs to be re-determined as per Tables III and IV.
- ii. The total declared assessable value of Rs. 12,37,279/- for the goods under Z-Bill of Entry No. 6121816 dated 05.12.2025 is liable to be rejected and re-determined as Rs. 20,56,145/-, as per the Chartered Engineer's valuation report dated 17.01.2026, under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, read with Section 14 of the Customs Act, 1962.
- iii. The Bill of Entry no. 6121816 dated 05.12.2025 need to be re-assessed under Section 17(4) of The Customs Act, 1962 with re-determined duty, classification and description as discussed in above paras.
- iv. The goods imported vide Bill of Entry no. 6121816 dated 05.12.2025 having re-determined value of Rs. 20,56,145/- are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.
- v. The importer, M/s. Quartz Mobitech Solutions India Private Limited (IEC: AAACQ6835A), is liable for penalties under Sections 112(a)(ii), and 114AA of the Customs Act, 1962.

9.1 In view of the above an Investigation report no. 223 dated 20.01.2026 has been issued by SIIB, Mundra Customs.

WAIVER OF NOTICE AND PERSONAL HEARING

10. The importer vide their letter dated 19.01.2026 has requested for waiver of SCN and PH in the instant case and accepted the CE valuation report. Further, they have also requested to waive the issuance of SCN and personal hearing and to decide the matter on merits based on available

records. They also agreed to pay the applicable fine and penalty, if any, and assure that they shall abide by the decision taken by this office.

DISCUSSION AND FINDINGS:

11. I have carefully gone through the facts of the case, Investigation Report and noticees submissions. I observed that the Importer during the investigation already waived the right of Show Cause Notice and personal hearing. I find that the condition of Principles of Natural Justice under Section 122A of the Customs Act, 1962 has been complied. Considering this scenario, I find it appropriate to proceed with the adjudication proceedings in terms of merit of the case.

12. I find that M/s. Quartz Mobitech Solutions India Private Limited, has imported a consignment vide Z-Bill of Entry No. 6121816 dated 05.12.2025. The examination of the above said consignment was carried out by the officers of SIIB on 07.01.2026. The details of the goods as declared in the said Bill of Entry are as mentioned under Table-I above.

12.1 I find that the officer of SIIB section, CH Mundra, conducted the examination of the impugned goods stuffed into the container no. KMTU9444658 covered under the Z-Bill of Entry No. 6121816 dated 05.12.2025 under Panchnama dated 07.01.2026. 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 mentioned in Table-II above.

12.2. I find that during the course of examination of the impugned goods, after complete de-stuffing, 793 Corrugated Boxes and PP bags were found. The complete details of the goods found during examination are mentioned in Table-III above.

12.3 I find that on examination of the goods, the officer prima facie noticed that the goods were mis-declared by the importer in respect of Description and quantity. The importer has also not declared the goods "Mobile Back cover" in the BE. Further, the importer has also mis-declared quantity of almost all declared goods. The importer has declared total 08 items in the BE and the goods found during the examination are in different marking, packing and quantity and the same is tabulated above in Table-III.

The re-determined CTH of the goods found during examination is as below:

A. **Clay Craft:**

The importer has mis-declared the CTH 49019900. The correct Classification of the said goods is under CTH 34070090 and the relevant extract of the CTH is as below:

3407 MODELLING PASTES, INCLUDING THOSE PUT UP FOR CHILDREN'S AMUSEMENT; PREPARATIONS KNOWN AS –DENTAL WAX OR AS –DENTAL IMPRESSION COMPOUNDS, PUT UP IN SETS, IN PACKINGS FOR RETAIL SALE OR IN PLATES, HORSESHOE SHAPES, STICKS OR SIMILAR FORMS; OTHER PREPARATIONS FOR USE IN DENTISTRY, WITH A BASIS OF PLASTER (OF CALCINED GYPSUM OR CALCIUM SULPHATE)

3407 00 - Modelling pastes, including those put up for children's amusement; preparations known as "dental wax" or as "dental impression compounds", put up in sets, in packings for retail sale or in plates, horseshoe shapes, sticks or similar forms; other preparations for use in dentistry, with a basis of plaster (of calcined gypsum or calcium sulphate):

3407 00 10 --- Modelling pastes, including those put up for kg. children's amusement

3407 00 90 --- Other

From the above it clearly appears that the goods rightly classifiable under CTH 34070090.

B. Mobile Back cover:

As far as the entries at heading level are concerned, heading 3926 covers "Other Articles of Plastic" which reads as under:

3926 OTHER ARTICLES OF PLASTICS AND ARTICLES OF OTHER MATERIALS OF HEADINGS 3901 TO 3914

--- Other:

39269091---- Of polyurethane foam

39269099---- Other

From the above it appears that the said goods are rightly classifiable under CTH 39269099.

The details of all the goods with declared/re-determined CTH is as follows.

Sr. No.	Goods found during examination	Declared CTH	Re-determined CTH

1	Rubber Ball	95066990	95066990
2	PVC Ball	95066990	95066990
3	Marker Pen	96082000	96082000
4	Clay Craft	49019900	34070090
5	Mobile Back Cover	-	39269099
6	Water Colour Set (Crayon Set)	96091000	96091000

12.4 I find that as the goods found during examination in the subject Bill of Entry were mis-declared in terms of Description and classification and undeclared goods were also found. Therefore, value of the goods need to be determined.

12.4.1 I find that 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.

12.4.2. I find 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.

12.4.3. I find that the value of the impugned goods could not be determined under Rule 4 and 5 *ibid* since the goods have been undeclared/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.

12.4.4. I find 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:"

12.4.5. I find that as per the provisions of Rule 9 *ibid*, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 *ibid*, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. ABJ:INSP:CE:SIIB:MUN:SH:GLIPL:25-26:26 dated 17.01.2026 wherein, he has reported the value of the cargo as tabulated in Table-V above. below:

12.4.6. I find that the assessable value of Rs. 12,37,279/- declared by the importer in the Z-Bill of Entry No. 6121816 dated 05.12.2025 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Further, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 20,56,145/- 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.

12.5 I find that all the goods found during the examination are freely importable after paying of applicable Customs Duty.

12.6. I find that on the basis of re-determined value of the goods, duty leviable on goods imported vide B/E No. 6121816 dated 05.12.2025 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	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 20%	SWS @ 10%	IGST @ 5%	Total applicable Duty in Rs.
1	Rubber Ball	95066990	90000	739530	147906	14791	45111	207808
2	PVC Ball	95066990	40320	257685	51537	5154	15719	72410
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 10%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
3	Marker Pen	96082000	150000	301290	30129	3013	60198	93340
4	CLAY CRAFT	34070090	12000	97570	9757	976	19494	30227
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 15%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
5	Mobile Back Cover	39269099	143600	589981	88497	8850	123719	221066
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 10%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
7	Water Colour Set (Crayon Set)	96091000	84	25232	2523	252	0	2775
Total				20,56,145/-	334835	33484	273204	6,41,522/-

I find that the total re-determined value of the goods releasable for Home Consumption comes to **Rs. 20,56,145/-** and the total re-determined Duty for the said releasable goods comes to **Rs. 6,41,522/-** instead of the declared duty for the same i.e. **Rs. 3,82,756/-**. The differential duty of said releasable goods comes to **Rs. 2,58,766/-**.

13. CONFISCATION OF THE GOODS UNDER SECTION 111(l) & 111(m) OF THE CUSTOMS ACT, 1962:

13.1 It is alleged that the goods are liable for confiscation under Section

111(m) of the Customs Act, 1962. In this regard, I find that as far as confiscation of goods are concerned, Section 111 of the Customs Act, 1962, defines the Confiscation of improperly imported goods. The relevant legal provisions of Section 111 of the Customs Act, 1962 are reproduced below: -

“... ”

(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;”

13.2 I find that the goods imported in the present shipment have been mis-declared in terms of description, quantity and classification. Certain goods declared in the Bill of Entry (at Sr. No. 6, 7 and 8) were not found during examination, while undeclared goods such as “Mobile Back Cover” were found. Further, the quantity of almost all declared goods was mis-declared, and certain items like “Clay Craft” were mis-classified. The overall value of the consignment has also been undervalued. These goods do not correspond with the entry made in the Z-Type Bill of Entry No. 6121816 dated 05.12.2025 in terms of description, quantity, classification and value. Therefore, the goods are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

13.3 As the impugned goods are found liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962, I find it necessary to consider whether redemption fine under Section 125 of the Customs Act, 1962 is liable to be imposed in lieu of confiscation. Section 125 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.”

13.3.1 A plain reading of the above provision shows that imposition of redemption fine is an option in lieu of confiscation. It provides an opportunity to the owner of the confiscated goods for release by paying redemption fine where there is no prohibition on import. Accordingly, I observe that all the goods found during examination are freely importable on payment of applicable Customs duty. Hence, an option may be given to the importer for clearance of the goods for home consumption on payment of redemption fine.

14. From the above, it is evident that the importer M/s. Quartz Mobitech Solutions India Private Limited has done mis-declaration in terms of description, quantity, classification and valuation of the goods mentioned in Z-Bill of Entry No. 6121816 dated 05.12.2025. Therefore, the goods are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962. By these acts, the importer has rendered the subject goods liable for confiscation and themselves liable for penalty under Section 112(a)(ii) of the Customs Act, 1962.

14.1 As regards penalty under Section 114AA of the Customs Act, 1962, Section 114AA mandates penal action for intentional use of false and incorrect material. From the investigation and material on record, it is observed that the importer has knowingly and intentionally made/signed/used import documents (including invoice and Bill of Entry) which were false or incorrect in material particulars such as description, quantity, classification and valuation, with mala-fide intent. Therefore, the importer is liable to penalty under Section 114AA of the Customs Act, 1962.

15. With respect to the applicability of duty mentioned above, I confirm the same and hold that it should be levied at the time of re-assessment.

16. In view of the foregoing discussion and findings, I pass the following order:

ORDER

i. I order to reject the declared description, quantity and classification mentioned in the Z-Bill of Entry No. 6121816 dated 05.12.2025 and order to re-determine the same as detailed in Tables III and IV above.

ii. I order to reject the declared assessable value of the items imported as mentioned in the Z-Bill of Entry No. 6121816 dated 05.12.2025 and order to re-determine the same at Rs. 20,56,145/- as detailed in Table-V above.

iii. I order to re-assess the Z-Bill of Entry No. 6121816 dated 05.12.2025 accordingly under Section 17(4) of the Customs Act, 1962, with differential duty of Rs. 2,58,766/- (Rupees Two Lakh Fifty Eight Thousand Seven

Hundred Sixty Six only) payable forthwith.

iv. I order confiscation of the goods having total re-determined assessable value of Rs. 20,56,145/- under Sections 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the same on payment of redemption fine of **Rs. 2,00,000/- (Rupees Two Lakh only)** under Section 125(1) of the Customs Act, 1962.

v. I impose a penalty of **Rs. 25,000/- (Rupees Twenty Five Thousand only)** upon the importer M/s. Quartz Mobitech Solutions India Private Limited under Section 112(a)(ii) of the Customs Act, 1962.

vi. I impose a penalty of **Rs. 25,000/- (Rupees Twenty Five Thousand only)** upon the importer M/s. Quartz Mobitech Solutions India Private Limited under Section 114AA of the Customs Act, 1962.

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

Zala Dipakbhai

Chimanbhai

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

F.No. CUS/APR/INV/46/2026-Gr5-6-O/o Pr Commr-Cus-Mundra

To:

M/s. Quartz Mobitech Solutions India Private Limited (IEC: AAACQ6835A),
T/F, 16/10515, Prop No. 5/9, PVT. NO. 302,
West Extn. Area, Karol Bagh, New Delhi-110005.

Copy to:

- (i) The Additional Commissioner of Customs (SIIB), Customs House, Mundra.
- (ii) The Dy./Asstt. Commissioner (EDI), Customs House, Mundra.

(iii) The Dy./Asstt. Commissioner (RRA/TRC), Customs House, Mundra.