OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
CUSTOMS HOUSE, MP & SEZ
MUNDRA, KUTCH-GUJARAT -370421
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सत्यमेव जयते

A	**FILE NO.** फ़ाइल संख्या	CUS/APR/INV/625/2026-Gr 4-O/o Pr Commr-Cus-Mundra
B	**OIO NO.** आदेश संख्या	MCH/ADC/ZDC/329/2026-27
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	24.09.2026
E	**DATE OF ISSUE** जारी करने की तिथि	24.09.2026
F	**SCN No. & Date** कारण बताओ नोटिस क्रमांक	Waived.
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	M/s. KRKD Enterprises Private Ltd. (AALCK3201H)

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. KRKD Enterprises Private Ltd. (IEC No. AALCK3201H) (hereinafter referred to as 'the said importer') has filed Bill of Entry No. 2131273 dated 26.06.2026 in respect of an import consignment covered under Invoice No. KRKDDS002-13 dated 31.05.2026 and Bill of Lading No. EGLV157600103898 dated 24.05.2026, comprising four containers bearing Nos. CAAU5053851, EGHU9862251, EITU1762200 and TRHU7503114.

The said consignment was examined at the premises of M/s. Shoolin Trade Link LLP (SEZ Warehouse Unit), APSEZ, Mundra, in terms of Panchnama dated 15.07.2026 drawn in the presence of independent Panch witnesses and the authorised representative of the importer/SEZ unit. The details of the Bills of Entry are as below:

Table-I

Sr. No.	CTH	Description	Unit Price (In USD)	Quantity	Amount (In USD)	Amount (In Rs.)
1	73181500	Screw	1.36	92,722.8 Kgs	1,26,103.01	1,20,17,616.66
2	94032090	Chair	3.1	3,167 Pcs	9,817.70	9,35,626.81
Total					**1,35,920.7**	**1,29,53,243.4**

	1	**7**

2. Examination of the Goods:

The examination of the imported goods covered under Bill of Entry No. 2131273 dated 26.06.2026 was conducted in the presence of independent Panch witnesses and Shri Pranjal Singh, the authorised person of the SEZ unit M/s. Shoolin Trade Link LLP, who is also the authorised representative of the importer. Shri Pranjal Singh informed that the seal of the above-mentioned containers had already been cut on 29.06.2026, and that the goods of all four containers originally covered under container Nos. CAAU5053851, EGHU9862251, EITU1762200 and TRHU7503114 had been de-stuffed and placed in four domestic containers, namely WIKU5261701, CICU2349169, HNKU6284224 and XHCU5496162.

Thereafter, Shri Pranjal Singh, authorised representative of the importer M/s. KRKD Enterprises Private Ltd. (IEC No. AALCK3201H), submitted a copy of Bill of Entry No. 2131273 dated 26.06.2026, Invoice No. KRKDDS002-13 dated 31.05.2026, Packing List, and Bill of Lading No. EGLV157600103898 dated 24.05.2026.

Upon opening the doors of the container, it was found to be fully stuffed with corrugated carton boxes and chairs. The labourers were directed to de-stuff the container in the warehouse and segregate the goods as per the different sizes of the cartons, keeping the chairs separately. Thereafter, all the boxes and chairs were carefully de-stuffed from the container with the help of labourers and stacked in Warehouse-1 & 2.

Random packages were thereafter selected and cut open for detailed examination. On examination, the goods contained therein were found to be big corrugated brown boxes containing chairs in dismantled form, and smaller boxes containing Hex head self-tapping screws packed in transparent poly bags of different sizes.

The items were segregated as per their packing type and kept separately. Random weighment of the packages was carried out, and it was observed that the screw boxes weighed approximately 18.8 Kg, 22.5 Kg, 24 Kg and 15 Kg for the

different sizes of screw boxes, whereas the chair boxes were found to weigh approximately 34.6 Kg each.

Subsequently, physical counting of the packages was conducted container-wise. The details of the goods found during examination are as under:

Table-II

Sr. No.	Container No.	Description of Goods Found During Examination	No. of Boxes	Total Weight (Kgs)
1	WIKU5261701	Hex head self-tapping screws	1103	23176
		Chair (in knock down condition)	145	3491
		Complete chair	300	1350
2	CICU2349169	Hex head self-tapping screws	1103	23179
		Chair (in knock down condition)	146	4964
3	HNKU6284224	Hex head self-tapping screws	1103	23182
		Chair (in knock down condition)	130	4912
4	XHCU5496162	Hex head self-tapping screws	1103	23179
		Chair (in dismantled form)	146	4964
Total			**5279**	**112397**

3. Compliance of Policy conditions:

3.1. The declared goods i.e., Screw are found as Hex head self-tapping screws and same falls under the compulsory registration with BIS as per IS No. 18471:2025 issued by DPIIT Notification dated 27.08.2025 w.e.f. from 01.11.2025.

3.2. The Government of India vide Notification No. 55/2023 dated 03.01.2024 has amended the import policy of CTH 7318 from Free to Prohibited with condition of MIP. Accordingly, the imported mis-declared goods i.e. Hex head self-tapping screws found during the examination become prohibited as per import policy of CTH 7318. The relevant extract of Notification No. 55/2023 dated 03.01.2024 is as below:

Government of India
Ministry of Commerce & Industry

Department of Commerce
Directorate General of Foreign Trade

Notification No. 55/2023

New Delhi, Dated: 3rd January, 2024

Subject: Amendment in Import Policy and Policy condition of Screws covered under HS code 7318 of Chapter 73 of Schedule–I (Import Policy) of ITC (HS) 2022.

S.O. (E): In exercise of powers conferred by Section 3 and Section 5 of the Foreign Trade (Development & Regulation) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy 2023, as amended from time to time, the Central Government hereby amends the import policy and policy condition for specific HS codes covered under Chapter 73 of the ITC (HS), 2022, Schedule-I (Import Policy) as under:

Revised Import Policy

HS Code	***Item Description***	***Existing Import Policy***	***Existing Policy Condition***	***Revised Import Policy***	***Revised Policy Condition***
73181110	*Threaded articles – Coach Screws – Machine screws*	*Free*	*Subject to Policy condition no. 2 and 3 of this Chapter*	*Prohibited*	*However, import is "Free" if CIF value is ₹129/- or above per Kg and subject to Policy condition no. 2 and 3 of this Chapter*
73181190	*Threaded articles – Coach Screws – Other*	*Free*	*Subject to Policy condition no. 2 and 3*	*Prohibited*	*However, import is "Free" if CIF value is ₹129/- or above per Kg and subject to Policy condition no. 2 and 3*
73181200	*Threaded articles – Other wood screws*	*Free*	*Subject to Policy condition no. 2 and 3*	*Prohibited*	*However, import is "Free" if CIF value is ₹129/- or above per Kg and subject to Policy condition no. 2 and 3*
73181300	*Threaded articles –*	*Free*	*Subject to Policy*	*Prohibited*	*However, import is "Free" if CIF*

	Screw hooks and screw rings		*condition no. 2 and 3*		*value is ₹129/- or above per Kg and subject to Policy condition no. 2 and 3*
73181400	*Threaded articles – Self-tapping screws*	*Free*	*Subject to Policy condition no. 2 and 3*	*Prohibited*	*However, import is "Free" if CIF value is ₹129/- or above per Kg and subject to Policy condition no. 2 and 3*
73181500	*Threaded articles – Other screws and bolts, whether or not with nuts or washers*	*Free*	*Subject to Policy condition no. 2 and 3*	*Prohibited*	*However, import is "Free" if CIF value is ₹129/- or above per Kg and subject to Policy condition no. 2 and 3*
73181900	*Threaded articles – Other*	*Free*	*Subject to Policy condition no. 2 and 3*	*Prohibited*	*However, import is "Free" if CIF value is ₹129/- or above per Kg and subject to Policy condition no. 2 and 3*

Effect of the notification:
The Import Policy of screws under ITC (HS) Codes 73181110, 73181190, 73181200, 73181300, 73181400, 73181500, and 73181900 is revised from "Free" to "Prohibited."
However, import shall be "Free" if CIF value is ₹129/- or above per Kg.

This issues with the approval of the Minister of Commerce & Industry.

3.3. 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 imported goods declared as Screw, however, the goods were found during the examination as Hexagon Washer Head Self-Drilling Screws & Self Tapping Screw. Accordingly, the mis-declared goods become prohibited for import. The importer has not submitted any SIMS registration for the said goods.

From the above para, it clearly appears that the mis-declared goods found during the examination as Hexagon Washer Head Self-Drilling Screws & Self Tapping Screws, are prohibited for non-compliance of BIS as per above said Notification. Accordingly, the said goods are liable for confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962 and the importer is also liable for penalty under Sections 112(a)(i) and 114AA.

3.4. Separately, with regard to the Chair (CTH 94032090) found in the consignment, the applicability of the Furniture (Quality Control) Order, 2025 has also been examined. The Furniture (Quality Control) Order, 2025, dated 13.02.2025, mandates BIS Standard Mark certification under Scheme-I for furniture covered by the specified Indian Standards, including IS 17631:2022 (Work Chairs) and IS 17632:2022 (General Purpose Chairs and Stools). Accordingly, chairs falling within these standards are subject to compulsory BIS certification. The said QCO became effective from 13.02.2026, upon expiry of twelve months from its publication. However, subsequent amendments introduced certain exemptions, including an exemption for imports against purchase orders placed before the implementation date, subject to prescribed conditions.

3.5. In this regard, the importer, vide email dated 20.08.2026, has submitted a copy of Purchase Order No. PO-KRKD-07 dated 30.01.2026 issued by M/s. KRKD Enterprises Pvt. Ltd. to the supplier M/s. Tianjin Binhai New Area Dasheng International Trade Co. Ltd, China, and the corresponding Sales Contract No. CN-SC/2026/KRKD07 dated 30.01.2026 executed between the said parties, both covering, inter alia, the impugned Chairs. On perusal thereof, it is seen that the said Purchase Order No. PO-KRKD-07 is dated 30.01.2026, i.e. prior to the implementation date of the QCO, 13.02.2026. Therefore, the consignment may qualify for the specific exemption applicable to pre-implementation purchase orders, provided that the Bill of Lading and Bill of Entry fall within the prescribed 180-day period from the implementation date and the importer submits the PO, B/L, B/E and supporting documents to BIS within the stipulated seven days of clearance. In the present case, the Bill of Lading No. EGLV157600103898 is dated 24.05.2026 and Bill of Entry No. 2131273 is dated 26.06.2026, both of which fall within the said 180-day window from 13.02.2026. Accordingly, while BIS certification is generally mandatory for the subject Chairs, the KRKD Enterprises

consignment appears prima facie eligible for exemption on account of the pre-implementation Purchase Order and Sales Contract.

The relevant extract of Furniture (Quality Control) Order, 2025 dated 13.02.2025, Furniture (Quality Control) Amendment Order, 2026 dated 12.02.2026 and Furniture (Quality Control) Second Amendment Order, 2026 dated 02.03.2026 are as below:

MINISTRY OF COMMERCE AND INDUSTRY

(Department for Promotion of Industry And Internal Trade)

ORDER

New Delhi, the 13th February, 2025

S.O. 801(E).—In exercise of the powers conferred by section 16 of the Bureau of Indian Standards Act, 2016 (11 of 2016), the Central Government, after consulting the Bureau of Indian Standards, is of the opinion that it is necessary or expedient so to do in the public interest, hereby makes the following order, namely:-

1. Short title and commencement. – (1) This order may be called the ***Furniture (Quality Control) Order, 2025****.*

(2) It shall come into force on the expiry of twelve month from the date of publication of this notification.

2. Compulsory use of Standard Mark. – Goods or articles specified in column (1) of the Table shall conform to the corresponding Indian Standard specified in column (2) of the Table and shall bear the Standard Mark under a license from the Bureau of Indian Standards as per Scheme-I of Schedule-II to the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018:

Provided that nothing in this order shall apply to goods or articles manufactured domestically for export:

Provided further that nothing in this order shall apply to micro and small enterprises as defined in clauses (h) and (m) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), till the expiry of eighteen months from the date of publication of this notification:

Provided also that nothing in this order shall apply to goods or articles manufactured domestically by an enterprise, registered under "Udyam Portal" of the Ministry of Micro, Small and Medium Enterprises, wherein the investment in plant and machinery or equipment at original cost does not exceed twenty-five lakh rupees and the turnover does not exceed two crore rupees for the previous financial year as certified by a Chartered Accountant shall be exempted from implementation of this order.

3. Certification and enforcing authority. –The Bureau shall be the certifying and enforcing authority for the goods or articles specified in the Table.

4. Penalty for contravention. –Any person who contravenes the provisions of this order shall be punishable under the provisions of the Bureau of Indian Standards Act, 2016.

TABLE

Goods/Articles	*Indian Standard No.*	*Title of Indian Standard*
(1)	*(2)*	*(3)*
Furniture	*IS 17631:2022*	*Work chairs*
	IS 17632:2022	*General purpose chairs and stools*
	IS 17633:2022	*Tables and desks*
	IS 17634:2022	*Storage units*
	IS 17635:2022	*Beds*
	IS 17636:2022	*Bunk beds*

Note.-For the purposes of this Table, the latest version of Indian Standards including the amendments thereof, as notified by the Bureau of Indian Standards from time to time, shall apply.

MINISTRY OF COMMERCE AND INDUSTRY

(Department for Promotion of Industry and Internal Trade)

ORDER

New Delhi, the 12th February, 2026

S.O. 774(E).— In exercise of the powers conferred by section 16 of the Bureau of Indian Standards Act, 2016 (11 of 2016), the Central Government, after consulting the Bureau of Indian Standards, is of the opinion that it is necessary or expedient so

to do in the public interest, hereby makes the following order to amend the Furniture (Quality Control) Order, 2025, namely: -

1. (1) This order may be called the ***Furniture (Quality Control) Amendment Order, 2026****.*

(2) It shall come into force on the date of its publication in the Official Gazette.

2. In the Furniture (Quality Control) Order, 2025, to paragraph 2, after the third proviso the following provisos shall be inserted, namely:

Provided also that nothing in this order shall apply to import upto two hundred numbers of goods or articles specified in column(1) of the table for the purpose of research and development per financial year by the manufacturer of furniture certified by the Bureau or the manufacturer who has applied to the Bureau for certification of such goods and articles with the condition that such imported goods and articles shall not be sold commercially and shall be disposed of as a scrap and the manufacturers shall maintain a record of such goods or articles year-wise and furnish the same to the Central Government:

Provided also that nothing in this order shall apply to goods or articles specified in column (1) of the table domestically manufactured or imported before the date of implementation of this order by the manufacturer certified by the Bureau or the manufacturer who has applied to the Bureau for certification of the relevant goods and articles and such manufacturer shall be permitted to sell or display or offer to sell such declared stock up to twelve months from the date of implementation, subject to the condition that such manufacturer shall furnishes a self declaration to this effect to the Bureau: Provided also that nothing in this order shall apply to non-BIS marked goods or articles or its components/sub- assemblies imported by the manufacturer of furniture in India for export of furniture subject to the condition that the manufacturer furnishes a self-declaration in its letter-head signed by its authorised signatory, to the Central Government mentioning the invoice number and other relevant details of the import consignment and an undertaking that the goods or articles so imported shall not be put to any other use or sold in the domestic market and the manufacturer shall maintain the record of such goods and articles imported and its product for verification or audit by the Government authorities concerned".

MINISTRY OF COMMERCE AND INDUSTRY

(Department for Promotion of Industry and Internal Trade)

ORDER

New Delhi, the 2nd March, 2026

S.O. 1125(E). —In exercise of the powers conferred by section 16 of the Bureau of Indian Standards Act, 2016 (11 of 2016), the Central Government,after consulting the Bureau of Indian Standards, is of the opinion that it is necessary or expedient in the public interest, hereby makes the following order further to amend the Furniture (Quality Control) Order, 2025, namely: -

1. Short Title and Commencement: -(1) This order may be called the ***Furniture (Quality Control) Second Amendment Order, 2026****.*

(2) It shall come into force on the date of its publication in the Official Gazette.

2. In the Furniture (Quality Control) Order, 2025, in paragraph 2, after sixth proviso, the following provisos shall be inserted, namely: -

"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".

4. Re-determination of classification: As per the Indian Customs Tariff, the correct classification of the imported goods is as detailed below:-

Table-III

Goods covered under the BE No. 2131273 dated 26.06.2026:

Sr. No	Description of declared Goods as per Bill of Entry	Declared CTH	Description of Goods Found During Examination	Appropriate CTH
1	Screw	73181500	Hexagon Washer Head Self-Drilling Screws	73181400
2	Chair	94032090	Chair	94032090

As per above Table, it is confirmed that the goods mentioned at sr.no. 1 were found mis-declared in terms of description/classification.

5. Rejection of Declared Value & Re-determination 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.

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.

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.

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:"*

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: 02968:2026 has suggested the value of the imported goods as Rs. 1,37,13,670/- (CIF Value) as detailed in Table below:

TABLE-IV Valuation Table (1 USD = 95.3 INR)

Sr. No.	Description of Goods Found During Examination	Quantity	Per Unit Suggestive Average CIF Value (In USD)	Total Suggestive CIF Value (In USD)	Total Suggestive CIF Value (In INR)
1	Hexagon Washer Head Self-Drilling Screws	92,722.80 Kg	1.364	1,26,480/-	1,20,53,544/-
2	Chair (complete / knock-down / dismantled form)	3,167 Pcs	5.5	17,420/-	16,60,126/-
Total Suggestive Average CIF Value				**1,43,900/-**	**1,37,13,670/-**

As per above Table, the total CIF value is re-evaluated at Rs. 1,37,13,670/- by the Chartered Engineer cum Valuer. As against this, the assessable value declared by the importer in Bill of Entry No. 2131273 dated 26.06.2026 was Rs. 1,29,53,243/- and accordingly it appears that the subject consignment has been undervalued to the extent of Rs. 7,60,427/- on account of mis-declaration/undervaluation of the imported goods by the said importer.

Whereas, it appears that, the assessable value of Rs. 1,29,53,243/- declared by the importer in the Z-Bill of Entry No. 2131273 dated 26.06.2026 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 1,37,13,670/- 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.

The Chartered Engineer's (CE) report has been shared with the importer and duly accepted, as conveyed in their email dated 19.08.2026. The importer has expressed their willingness to accept the revised valuation and proceed as per the outcome of the investigation.

6. Re-determination of Duty:

On the basis of re-determined value of the goods in above Table-IV, duty leviable on goods imported vide B/E No. 2131273 dated 26.06.2026 is being re-calculated for the goods which will be released for Home Consumption. The re-calculated leviable duty is as under:

Table-V

Sr. No.	Item	CTH	Re-determined CIF Value (Rs.)	BCD	SWS @10% of BCD	AIDC#	IGST @18%	Total Duty (Rs.)
1	Hexagon Washer Head Self-Drilling Screws	73181400	1,20,53,544	18,08,032 (15%)	1,80,803	0	25,27,628	45,16,463
2	Chair	94032090	16,60,126	3,32,025 (20%)	0	83,006 (5%)	3,73,528	7,88,559
Total			**1,37,13,670**	**21,40,057**	**1,80,803**	**83,006**	**29,01,156**	**53,05,022**

(Notification No. 06/2025-Customs dated 01.02.2025, effective 02.02.2025, amended Notification 11/2021).

As per the above table, the total duty liability of the importer works out to Rs. 53,05,022/-. The importer, in Bill of Entry No. 2131273 dated 26.06.2026, had declared the value of the goods as Rs. 1,29,53,243/- and duty as Rs. 49,47,423/- based on the declared value and classification. The importer is, accordingly, liable to pay a differential duty of **Rs. 3,57,599/-** on re-assessment, in addition to applicable interest, fine and penalty.

7. Importer's Letter seeking Waiver of Show Cause Notice and Personal Hearing:

The importer, vide email dated 19.08.2026, has, inter alia, submitted that they agree with the Chartered Engineer's Report and does not want any Show Cause Notice, personal hearing or summons in this regard. The importer has expressed that the matter may kindly be decided on merits and that it shall abide by the decision taken by the competent authority. The importer has stated that it is ready to pay the applicable duty, interest, fine and penalty, if any, arising in the matter. The importer has further stated that it will not file any application for refund claim or appeal in the matter and has requested a lenient view.

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: -*

--

(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;;*

(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] [Substituted by Act 14 of 2001, Section 107, for certain words (w.e.f. 11.5.2001).], *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 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.*

8.1. In the instant case, the applicability of the aforesaid provisions is required to be examined in the context of:

(i) the alleged non-compliance with the applicable mandatory BIS/import-policy requirements in respect of the imported screws;

(ii) the discrepancy between the description/classification declared in the Bill of Entry and the goods found on examination in respect of imported screws; and

(iii) the rejection and re-determination of the declared value in terms of Section 14 of the Customs Act, 1962 read with the CVR, 2007.

9. Outcome of the Investigation:

(A) In respect of Screw (declared as Screw under CTH 73181500; found to be Hexagon Washer Head Self-Drilling Screws/Hex Head Self-Tapping Screws):

9.1. During examination, the goods declared as "Screw" under CTH 73181500 at Sr. No. 1 of Table-I were found to be Hexagon Washer Head Self-Drilling Screws, as established from the examination and available documents. The description

and classification declared in Bill of Entry No. 2131273 dated 26.06.2026 do not, therefore, correspond with the goods actually imported. The correct classification of the said goods is proposed under CTH 73181400.

9.2. The imported Hexagon Washer Head Self-Drilling Screws are required to comply with applicable BIS, SIMS and other import-policy requirements. Since the importer has not produced the requisite BIS compliance/registration and SIMS registration, the said goods appear to be prohibited goods and are liable for confiscation under Section 111(d) of the Customs Act, 1962. Further, as the said goods do not correspond with the description, classification and value declared in the Bill of Entry, they are also liable for confiscation under Section 111(m) of the said Act.

9.3. As per the Chartered Engineer-cum-Valuer's Report Ref. No. AYK:VAL:02968:2026 dated 13.08.2026, the value of the Screw has been re-determined at Rs. 1,20,53,544/- (CIF), as against the declared value of Rs. 1,20,17,616.66/-. Accordingly, the declared value of Screw is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined under Section 14 of the Customs Act, 1962 read with the CVR, 2007.

9.4. In view of paras 9.2 and 9.3 above, the Hexagon Washer Head Self-Drilling Screws appear to be liable for confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962. Since the screws appear to be prohibited goods, the importer is also liable to penalty under Section 112(a)(i) of the Customs Act, 1962.

9.5. In so far as the alleged mis-declaration of description, classification and value in respect of the Screw in the Bill of Entry and supporting documents is concerned, the applicability of Section 114AA of the Customs Act, 1962 is required to be considered.

(B) In respect of Chair (declared and found under CTH 94032090):

9.7. On examination, the description and classification of the Chair as declared under CTH 94032090 in the Bill of Entry were found to correspond with the goods actually found. No mis-declaration of description or classification is, therefore, established in respect of the Chair.

9.8. As discussed at paras 3.4 and 3.5 above, the applicability of the Furniture (Quality Control) Order, 2025 to the imported Chairs has been examined. On the basis of the Purchase Order No. PO-KRKD-07 dated 30.01.2026 and Sales Contract No. CN-SC/2026/KRKD07 dated 30.01.2026, both predating the implementation date (13.02.2026), and the Bill of Lading and Bill of Entry falling within the 180-day window therefrom, the consignment of Chairs appears, prima facie, eligible for the exemption from compulsory BIS certification, subject to the importer furnishing the prescribed documents to BIS within seven days of clearance.

9.9. The declared value of the Chair, i.e., Rs. 9,35,627/-, has not been accepted as correct. As per the Chartered Engineer-cum-Valuer's Report Ref. No. AYK:VAL:02968:2026 dated 13.08.2026, the value of the Chair has been re-determined at Rs. 16,60,126/- (CIF). Accordingly, the declared value of the Chair is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined under Section 14 of the Customs Act, 1962 read with the CVR, 2007.

9.10. In view of the value discrepancy at para 9.9 above, the Chair does not correspond with the value declared in the Bill of Entry and is, therefore, liable for confiscation under Section 111(m) of the Customs Act, 1962. The importer is accordingly liable to penalty under Section 112(a)(ii) of the Customs Act, 1962 in respect of the undervaluation of the Chair.

(C) Common findings:

9.11. In view of the mis-declaration/undervaluation discussed above in respect of both Screw and Chair, the self-assessment made by the importer in Bill of Entry No. 2131273 dated 26.06.2026 is liable to be rejected and re-assessed under Section 17(4) of the Customs Act, 1962. The total duty payable on the re-determined value (Table-V) works out to Rs. 53,05,022/- (Rs. 45,16,463/- on Screw and Rs. 7,88,559/- on Chair), against Rs. 49,47,423/- declared in the subject Bill of entry by the importer, resulting in a differential duty of Rs. 3,57,599/- payable by the importer in respect of both items.

9.12. The importer has accepted the Chartered Engineer-cum-Valuer's Report and has stated willingness to pay the applicable differential duty, interest, fine and penalty, if any, in respect of both Screw and Chair.

10. In view of the above, it appears that :

(A) Screw:

(i) The imported goods declared as "Screw" under CTH 73181500 were found on examination to be Hexagon Washer Head Self-Drilling Screws, correctly classifiable under CTH 73181400, and thus mis-declared in terms of description and classification.

(ii) The declared value of Screw, i.e., Rs. 1,20,17,616.66/- (as per Table-I), is liable to be rejected under Rule 12 of the CVR, 2007, and re-determined as Rs. 1,20,53,544/-, as per the Chartered Engineer-cum-Valuer's Report Ref. No. AYK:VAL:02968:2026 dated 13.08.2026.

(iii) The imported Screw, having been found to be Hexagon Washer Head Self-Drilling Screws imported without compliance with the applicable mandatory BIS/SIMS/import-policy requirements, appears to be prohibited goods and is accordingly liable to confiscation under Section 111(d) of the Customs Act, 1962.

(iv) The imported Screw does not correspond with the particulars declared in the Bill of Entry in respect of description, classification and value and is, therefore, also liable to confiscation under Section 111(m) of the Customs Act, 1962.

(v) M/s. KRKD Enterprises Private Ltd. appears liable to penalty under Section 112(a)(i) of the Customs Act, 1962 in relation to the Screw, being prohibited and mis-declared goods rendered liable to confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962.

(vi) The importer appears liable to penalty under Section 114AA of the Customs Act, 1962, in respect of the Screw, having knowingly or intentionally made or used declarations/documents containing false or incorrect particulars.

(B) Chair:

(i) The imported Chair, as declared under CTH 94032090, corresponds with the goods found on examination in terms of description and classification, and no mis-declaration in this regard is established.

(ii) The declared value of Chair, i.e., Rs. 9,35,627/- (as per Table-I), is liable to be rejected under Rule 12 of the CVR, 2007, and re-determined as Rs. 16,60,126/-, as per the Chartered Engineer-cum-Valuer's Report Ref. No. AYK:VAL:02968:2026 dated 13.08.2026.

(iii) The imported Chair does not correspond with the value declared in the Bill of Entry and is, therefore, liable to confiscation under Section 111(m) of the Customs Act, 1962.

(iv) M/s. KRKD Enterprises Private Ltd. appears liable to penalty under Section 112(a)(ii) of the Customs Act, 1962 in relation to the Chair, on account of undervaluation rendering the goods liable to confiscation under Section 111(m) of the Customs Act, 1962.

(v) Subject to the importer furnishing the requisite Purchase Order, Bill of Lading, Bill of Entry and other supporting documents to the Bureau of Indian Standards within seven days of clearance, as discussed at para 9.8 above, the Chair appears prima facie eligible for exemption from the mandatory BIS certification requirement under the Furniture (Quality Control) Order, 2025, as amended.

(C) Common:

(vi) The self-assessment made by the importer in Bill of Entry No. 2131273 dated 26.06.2026, in respect of both Screw and Chair, is liable to be rejected and the said Bill of Entry is required to be re-assessed under Section 17(4) of the Customs Act, 1962, resulting in a differential duty liability of Rs. 3,57,599/-.

10.1 Accordingly, an Investigation report 163/2026-27 dated 02.09.2026 has been issued by the SIIB, Mundra Customs.

Written Submission and Personal Hearing

11. The importer M/s. KRKD Enterprises Private Ltd. (IEC No. AALCK3201H) has, vide email dated 19.08.2026, agreed with the Chartered Engineer's Report and requested that no Show Cause Notice, personal hearing or summons be issued, and has expressed readiness to pay the applicable duty, interest, fine and penalty, if any, necessary adjudication proceedings may be initiated in respect of the said Bill of Entry as per the Customs Act, 1962.

Further, vide letter dated 18.08.2026, the importer has requested permission to re-export the goods of Hex Head Self Tapping Screws imported under Bill of Entry No. 2131273 dated 26.06.2026.

DISCUSSION AND FINDINGS

12. I have carefully gone through the Investigation Report No. 163/2026-27 dated 02.09.2026 forwarded by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra, the relied upon documents and all other material available on record. I note that M/s. KRKD Enterprises Private Ltd., vide their email dated 19.08.2026, has accepted the Chartered Engineer's valuation report, has requested that no Show Cause Notice, personal hearing or summons be issued, and has expressed readiness to pay the applicable duty, interest, fine and penalty arising in the matter. The importer has further vide letter dated 18.08.2026 requested permission to re-export the Hex Head Self-Tapping Screws imported under Bill of Entry No. 2131273 dated 26.06.2026. I am satisfied that the principles of natural justice have been duly complied with, inasmuch as M/s. KRKD Enterprises Private Ltd. 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 goods declared as "Screw" under CTH 73181500 in Bill of Entry No. 2131273 dated 26.06.2026 are correctly described and classified, or whether the same are in fact Hexagon Washer Head Self-Drilling Screws correctly classifiable under CTH 73181400;

(ii) Whether the declared value of the Screw of **Rs. 1,20,17,617/-** is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined as **Rs. 1,20,53,544/-** as per the Chartered Engineer's Report;

(iii) Whether the Chair (CTH 94032090), found correctly described and classified but undervalued, with declared value of **Rs. 9,35,627/-** liable to be rejected and re-determined as **Rs. 16,60,126/-**;

(iv) Whether Bill of Entry No. 2131273 dated 26.06.2026 is liable to be re-assessed under Section 17(4) of the Customs Act, 1962 resulting in levy of differential duty of **Rs. 3,57,599/-**;

(v) Whether the goods Screw (Hexagon Washer Head Self-Drilling Screws) is liable for confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962; and

(vi) Whether the goods "Chair" is liable for confiscation under Section 111(m) of the Customs Act, 1962; and

(vii) Whether penalty is imposable on M/s. KRKD Enterprises Private Ltd. under Sections 112(a)(i), 112(a)(ii) and 114AA of the Customs Act, 1962.

13. FIRST ISSUE — RE-DESCRIPTION AND RE-CLASSIFICATION OF SCREW:

13.1 I find that M/s. KRKD Enterprises Private Ltd. filed Bill of Entry No. 2131273 dated 26.06.2026 declaring the goods at Sr. No. 1 as "Screw" under CTH 73181500, covering 92,722.8 Kgs at a declared unit price of USD 1.36 per Kg (total declared value Rs. 1,20,17,616.45/-). During physical examination under Panchnama dated 15.07.2026, the goods were found to be Hexagon Washer Head Self-Drilling Screws (a specific type of self-tapping/self-drilling screws), as established from the physical examination, the packing markings and the available documents.

13.2 I find that the goods found — Hexagon Washer Head Self-Drilling Screws — are more correctly described and appropriately classifiable under CTH 73181400 (Threaded articles — Self-tapping screws), rather than CTH 73181500 (Other screws and bolts, whether or not with nuts or washers) as declared in the Bill of Entry. The declaration of description and classification in the Bill of Entry was accordingly incorrect. The correct description and classification of the imported goods at Sr. No. 1 is Hexagon Washer Head Self-Drilling Screws, CTH 73181400, as confirmed by the CE Report and the examination inventory.

13.3 I find that the goods declared as "Chair" under CTH 94032090 in the Bill of Entry at Sr. No. 2, covering 3,167 Pcs, were found during examination to be Chairs (complete/knock-down/dismantled form) corresponding to the declared description and CTH. No mis-declaration of description or classification is

established in respect of the Chair. The declaration of CTH 94032090 for the Chair is correct and is accepted.

14. SECOND ISSUE — IMPORTABILITY: SCREW:

14.1 I find that the imported goods — Hexagon Washer Head Self-Drilling Screws (CTH 73181400) — are subject to the following mandatory compliance requirements, which the importer has failed to satisfy:

(i) BIS Compliance: The Hexagon Washer Head Self-Drilling Screws fall under the compulsory BIS registration requirement under IS 18471:2025, as mandated by the DPIIT Notification dated 27.08.2025, effective from 01.11.2025. The importer has not produced any BIS registration certificate in respect of these goods.

(ii) SIMS Registration: As per Policy Conditions 2 and 3 of Chapter 73 of ITC(HS), all goods covered under HS codes of Chapter 73 require compulsory registration under SIMS (Steel Import Monitoring System). The importer has not submitted any SIMS registration in respect of the imported Screws.

14.2 In view of the non-compliance with mandatory BIS and SIMS requirements, the goods — Hexagon Washer Head Self-Drilling Screws — are prohibited goods within the meaning of the applicable policy conditions and are liable for confiscation under **Section 111(d)** of the Customs Act, 1962 as goods imported contrary to a prohibition imposed under other laws for the time being in force.

15. THIRD ISSUE — APPLICABILITY OF FURNITURE QCO TO CHAIRS AND EXEMPTION:

15.1 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 under Scheme-I for furniture covered by the specified Indian Standards, including IS 17631:2022 (Work Chairs) and IS 17632:2022 (General Purpose Chairs and Stools). The QCO came into force on 13.02.2026 (upon expiry of twelve months from the date of publication).

15.2 I find that the Furniture (Quality Control) Order, 2025 was subsequently 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 came into force on the date of its publication. The said Second Amendment Order, 2026 inserted the following additional 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."

15.3 I find that in the present case, the importer M/s. KRKD Enterprises Private Ltd. vide email dated 20.08.2026 has submitted Purchase Order No. PO-KRKD-07 dated 30.01.2026 and the corresponding Sales Contract No. CN-SC/2026/KRKD07 dated 30.01.2026, both issued to the supplier M/s. Tianjin Binhai New Area Dasheng International Trade Co. Ltd., China, both of which predate the implementation date of the QCO (13.02.2026). The Bill of Lading No. EGLV157600103898 is dated 24.05.2026 and Bill of Entry No. 2131273 is dated 26.06.2026 — both of which fall within the 180-day window from the implementation date of the QCO (13.02.2026), i.e., within 13.08.2026.

15.4 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 in the present case — namely (a) the purchase order was placed before the date of implementation (30.01.2026 < 13.02.2026); (b) the Bill of Lading and Bill of Entry are dated within 180 days of implementation (both fall before 13.08.2026). The remaining condition — that the importer provide 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 — is directed to be complied with by the importer as a condition of clearance.

15.5 I accordingly hold that the imported Chairs (CTH 94032090) 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, subject to the importer complying with the condition of furnishing the prescribed documents to the Bureau of Indian Standards within seven days of clearance of the consignment. No BIS non-compliance is therefore found in respect of the Chairs and the Chair is not a prohibited good on this account.

16. FOURTH ISSUE — REJECTION OF DECLARED VALUE AND RE-DETERMINATION OF ASSESSABLE VALUE:

16.1 I find that the declared assessable value of **Rs. 1,29,53,243/-** in Bill of Entry No. 2131273 dated 26.06.2026 (Screw: Rs. 1,20,17,616.66/- + Chair: Rs. 9,35,626.81/-) 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 Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The Screw was mis-declared in description and classification; the Chair was undervalued. In both cases, the declared values do not represent the authentic transaction values. The declared values are accordingly liable to be rejected under Rule 12 of the CVR, 2007.

16.2 I find that recourse to Rules 4 to 8 of the CVR, 2007 is not available due to the non-availability of identical/similar goods' import data at the relevant time on account of mis-declaration. The assessable value of the goods is accordingly required to be determined under Rule 9 (Residual Method) of the CVR, 2007.

16.3 I find that Shri Anwar Y. Kukad, Chartered Engineer and Government Approved Valuer, inspected the goods and submitted Valuation Report No. AYK:VAL:02968:2026 dated 13.08.2026, valuing the goods as under:

Sr. No.	Description	Quantity	CE Value (INR)
1	Hexagon Washer Head Self-	92,722.80 Kgs	Rs. 1,20,53,544/-

Sr. No.	Description	Quantity	CE Value (INR)
	Drilling Screws		
2	Chair	3,167 Pcs	Rs. 16,60,126/-
Total			**Rs. 1,37,13,670/-**

M/s. KRKD Enterprises Private Ltd., vide their email dated 19.08.2026, has accepted the Chartered Engineer's valuation without any objection.

16.4 I accordingly reject the declared assessable value of Rs. 1,29,53,243/- (Rupees One Crore Twenty-Nine Lakh Fifty-Three Thousand Two Hundred and Forty-Three Only) under Rule 12 of the CVR, 2007 and re-determine the assessable value of the goods covered under Bill of Entry No. 2131273 dated 26.06.2026 at Rs. 1,37,13,670/- (Rupees One Crore Thirty-Seven Lakh Thirteen Thousand Six Hundred and Seventy Only) under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962.

17. FIFTH ISSUE — RE-ASSESSMENT AND LEVY OF DIFFERENTIAL DUTY:

17.1 I find that on the basis of the re-determined classification (CTH 73181400 for Screw; CTH 94032090 for Chair) and re-determined assessable value (Rs. 1,37,13,670/-), the total duty liability on the imported goods works out to Rs. 53,05,022/- (Screw: Rs. 45,16,463/-; Chair: Rs. 7,88,559/-), as detailed in Table-V of the Investigation Report. Against this, the importer had already declared the duty as Rs. 49,47,423/- in the subject Bill of Entry. The differential duty accordingly works out to Rs. 3,57,599/- (Rupees Three Lakh Fifty-Seven Thousand Five Hundred and Ninety-Nine Only).

17.2 I accordingly order re-assessment of Bill of Entry No. 2131273 dated 26.06.2026 under Section 17(4) of the Customs Act, 1962 and levy of differential duty of Rs. 3,57,599/- from M/s. KRKD Enterprises Private Ltd.

18. SIXTH ISSUE — CONFISCATION OF GOODS:

18.1 Confiscation of Hexagon Washer Head Self-Drilling Screws (CTH 73181400):

I find that the Hexagon Washer Head Self-Drilling Screws are liable for confiscation on two independent grounds:

(i) Under Section 111(d) — The screws were imported in contravention of mandatory BIS compliance requirement under IS 18471:2025, and without SIMS registration as mandated under Policy Conditions 2 and 3 of Chapter 73. These constitute prohibitions imposed under applicable laws for the time being in force. Import of goods in contravention of such prohibitions renders them liable for confiscation under Section 111(d) of the Customs Act, 1962.

(ii) Under Section 111(m) — The screws were declared as "Screw" under CTH 73181500, whereas the goods found are "Hexagon Washer Head Self-Drilling Screws" correctly classifiable under CTH 73181400. The description, classification and value declared in the Bill of Entry do not correspond with the actual goods, rendering them liable for confiscation under Section 111(m) of the Customs Act, 1962.

18.2 Confiscation of Chair (CTH 94032090):

I find that the Chair, though correctly described and classified, was undervalued in the Bill of Entry — declared at Rs. 9,35,627/- whereas the re-determined value is Rs. 16,60,126/-. The Chair accordingly does not correspond in respect of value with the entry made in the Bill of Entry, rendering it liable for confiscation under **Section 111(m)** of the Customs Act, 1962.

18.3 I now consider whether an option to pay redemption fine under Section 125(1) of the Customs Act, 1962 should be given.

(i) For Hexagon Washer Head Self-Drilling Screws: The importer, vide letter dated 18.08.2026, has specifically requested permission to re-export the screws back to the supplier. The screws are prohibited goods on account of BIS and SIMS non-compliance, and cannot be cleared for home consumption. I observe that the re-export of the goods shall not jeopardize any interest of the Government. Allowing re-export on payment of redemption fine is appropriate and proportionate in the circumstances, as it ensures the prohibited goods do not enter the domestic market while meeting the ends of justice. I accordingly give M/s. KRKD Enterprises Private Ltd. an option to redeem the Hexagon Washer Head Self-Drilling Screws for re-export purpose only, on payment of redemption fine under Section 125(1) of the Customs Act, 1962.

(ii) For Chair: The Chair is a freely importable item and is not a prohibited good. Section 125(1) of the Customs Act, 1962 mandates that 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. KRKD Enterprises Private Ltd. an option to redeem the Chair for home consumption on payment of redemption fine under Section 125(1) of the Customs Act, 1962, subject to payment of applicable customs duty and charges, and further subject to 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.

19. SEVENTH ISSUE — PENALTIES:

19.1 Penalty on M/s. KRKD Enterprises Private Ltd. under Section 112(a)(i) — Screws (prohibited goods):

I find that M/s. KRKD Enterprises Private Ltd., by importing Hexagon Washer Head Self-Drilling Screws without BIS certification, without SIMS registration, and by mis-declaring them as "Screw" under CTH 73181500 in the Bill of Entry, has done acts or omissions which rendered these goods liable to confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962. These are prohibited goods within the meaning of Section 112(a)(i) of the Customs Act, 1962. I accordingly find that M/s. KRKD Enterprises Private Ltd. is liable for penalty under **Section 112(a)(i)** of the Customs Act, 1962 in respect of the Hexagon Washer Head Self-Drilling Screws. I note that the importer has voluntarily accepted the findings, accepted the CE valuation, requested re-export and expressed willingness to pay applicable penalties.

19.2 Penalty on M/s. KRKD Enterprises Private Ltd. under Section 112(a)(ii) — Chair (dutiable goods, undervaluation):

I find that M/s. KRKD Enterprises Private Ltd. undervalued the Chair in the Bill of Entry by declaring it at Rs. 9,35,627/- against the re-determined value of Rs. 16,60,126/-, thereby evading a portion of the applicable customs duty. The Chair, being a dutiable good other than a prohibited good, rendered itself liable to confiscation under Section 111(m) of the Customs Act, 1962 on account of the undervaluation. The differential duty in respect of the Chair works out to **Rs.**

3,44,136/- as the Chair was declared at Rs. 9,35,627/- with duty of approximately Rs. 4,44,423/- against re-determined duty of Rs. 7,88,559/-. The duty sought to be evaded in respect of the Chair works out to approximately Rs. 3,44,136/- (i.e., Rs. 7,88,559/- minus approximately Rs. 4,44,423/-). I accordingly find that M/s. KRKD Enterprises Private Ltd. is liable for penalty under **Section 112(a)(ii)** of the Customs Act, 1962 in respect of the Chair.

19.3 Penalty on M/s. KRKD Enterprises Private Ltd. under Section 114AA:

I find that M/s. KRKD Enterprises Private Ltd. caused to be made, signed and used the Bill of Entry No. 2131273 dated 26.06.2026 and supporting documents — including the Invoice No. KRKDDS002-13 dated 31.05.2026 and Packing List — which contained false and incorrect particulars in material respects, namely the description ("Screw" instead of "Hexagon Washer Head Self-Drilling Screw"), classification (CTH 73181500 instead of CTH 73181400) and undervalued values in respect of both items, in the transaction of customs business for the purposes of the Customs Act, 1962. These constitute knowing or intentional use of false or incorrect declarations in material particulars. Section 114AA of the Customs Act, 1962 provides for a penalty not exceeding five times the value of the goods. I accordingly find that M/s. KRKD Enterprises Private Ltd. is liable for penalty under **Section 114AA** of the Customs Act, 1962. I note the mitigating factors of voluntary acceptance, readiness to pay and request for lenient view in calibrating the quantum of penalty.

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

ORDER

(i) I order to reject the declared description and classification of the goods at Sr. No. 1 of Table-I — declared as "Screw" under CTH 73181500 — and re-classify the same as "**Hexagon Washer Head Self-Drilling Screws" under CTH 73181400**.

(ii) I reject the declared assessable value of **Rs. 1,29,53,243/- (Rupees One Crore Twenty-Nine Lakh Fifty-Three Thousand Two Hundred and Forty-Three Only)** under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine the assessable value at **Rs. 1,37,13,670/- (Rupees One Crore Thirty-Seven Lakh Thirteen Thousand Six**

Hundred and Seventy Only) under Rule 9 of CVR, 2007 read with Section 14 of the Customs Act, 1962, as detailed in Table-IV supra.

(iii) I order re-assessment of Bill of Entry No. 2131273 dated 26.06.2026 under Section 17(4) of the Customs Act, 1962, in accordance with the re-determined description, classification and assessable value as above.

(iv) I order confiscation of the Hexagon Washer Head Self-Drilling Screws, quantity 92,722.80 Kgs, having re-determined assessable value of Rs. 1,20,53,544/- (Rupees One Crore Twenty Lakh Fifty-Three Thousand Five Hundred and Forty-Four Only), imported vide Bill of Entry No. 2131273 dated 26.06.2026, under Sections 111(d) and 111(m) of the Customs Act, 1962. However, since the importer has requested re-export and the goods shall not enter the domestic market, I give M/s. KRKD Enterprises Private Ltd. an option to redeem the said goods only for **re-export purpose**, on payment of Redemption Fine of **Rs. 8,00,000/- (Rupees Eight Lakh Only)** under Section 125(1) of the Customs Act, 1962.

(v) I order confiscation of the goods **"Chair"** quantity 3,167 Pcs, having re-determined assessable value of Rs. 16,60,126/- (Rupees Sixteen Lakh Sixty Thousand One Hundred and Twenty-Six Only), imported vide Bill of Entry No. 2131273 dated 26.06.2026, under Section 111(m) of the Customs Act, 1962. However, since the Chair is freely importable and is not a prohibited good, I give M/s. KRKD Enterprises Private Ltd. an option to redeem the Chair for home consumption on payment of Redemption Fine of **Rs. 1,65,000/- (Rupees One Lakh Sixty 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.

(vi) I impose a penalty of **Rs. 4,00,000/- (Rupees Four Lakh Only)** on M/s. KRKD Enterprises Private Ltd. (IEC: AALCK3201H), under Section 112(a)(i) of the Customs Act, 1962, in respect of the Hexagon Washer Head Self-Drilling Screws.

(vii) I impose a penalty of **Rs. 34,000/- (Rupees Thirty Four Thousand Only)** on M/s. KRKD Enterprises Private Ltd. (IEC: AALCK3201H), under Section 112(a)(ii) of the Customs Act, 1962, in respect of the item no. 2 i.e. Chair.

(viii) I impose a penalty of **Rs. 1,00,000/- (Rupees One Lakh Only)** on **M/s. KRKD Enterprises Private Ltd. (IEC: AALCK3201H)**, under Section 114AA of the Customs Act, 1962.

21. This Order-in-Original is issued without prejudice to any other action that may be taken against M/s. KRKD Enterprises Private Ltd. (IEC: AALCK3201H) 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: 24-09-2026 15:34:10

(DIPAK ZALA)

Additional Commissioner of Customs,

Mundra Customs

To,

M/s. KRKD Enterprises Private Ltd. (IEC No. AALCK3201H)
P. NO. 01, GROUND FLOOR, KH NO. 8/ SHRI RAM COLONY,
NILOTHI, NANGLOI, 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