प्रधान आयुक्त का कार्यालय,सीमा शुल्क, अहमदाबाद
"सीमाशुल्क भवन", पहली मंजिल, पुराने हाईकोर्ट के सामने, नवरंगपुरा, अहमदाबाद – 380 009
दूरभाष: (079) 2754 4630 **E-mail:** cus-ahmd-adj@gov.in फैक्स: (079) 2754 2343

DIN: 20260871MN0000F7BDEB

PREAMBLE

A	फ़ाइल संख्या/ File No.	:	**GEN/ADJ/ADC/1243/2026-ADJN-O/o PR COMMR-CUS-AHMEDABAD**
B	कारण बताओ नोटिस संख्या–तारीख /Show Cause Notice No. and Date	:	The importer requested for Waiver of SCN vide letter dated NIL (received on 03.08.2026)
C	मूल आदेश संख्या/ Order-In-Original No.	:	**64/ADC/SS/O&A/HQ/2026-27**
D	आदेश तिथि/ Date of Order-In-Original	:	**14.08.2026**
E	जारी करनेकी तारीख/ Date of Issue	:	**14.08.2026**
F	द्वारापारित/ Passed By	:	**S. Sathianarayanan** Additional Commissioner, Customs Ahmedabad
G	आयातक का नाम औरपता / Name and Address of Importer / Passenger	:	M/s. Blue Ocean, Shed No F-2, Block No 215, Rajshree Campus, Saniya Road, Saniya Hemad, Surat, Gujarat -395013
	यह प्रति उन व्यक्तियों के उपयोग के लिए निःशुल्क प्रदान की जाती है जिन्हे यह जारी की गयी है।		
(2)	कोई भी व्यक्ति इस आदेश से स्वयं को असंतुष्ट पाता है तो वह इस आदेश के विरुद्ध अपील इस आदेश की प्राप्ति की तारीख के 60 दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क(अपील), चौथी मंज़िल, हुडको भवन, ईश्वर भुवन मार्ग, नवरंगपुरा, अहमदाबाद में कर सकता है।		
(3)	अपील के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए और इसके साथ होना चाहिए:		
(i)	अपील की एक प्रति और;		
(ii)	इस प्रति या इस आदेश की कोई प्रति के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क		

	टिकिट लगा होना चाहिए।
(4)	इस आदेश के विरुद्ध अपील करने इच्छुक व्यक्ति को 7.5 % (अधिकतम 10 करोड़) शुल्क अदा करना होगा जहां शुल्क या ड्यूटी और जुर्माना विवाद में है या जुर्माना जहां इस तरह की दंड विवाद में है और अपील के साथ इस तरह के भुगतान का प्रमाण पेश करने में असफल रहने पर सीमा शुल्क अधिनियम, 1962 की धारा 129 के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।

BRIEF FACTS OF THE CASE:

1. M/s. Blue Ocean, Shed No F-2, Block No 215, Rajshree Campus, Saniya Road, Saniya Hemad, Surat, Gujarat -395013(hereinafter referred to as "the importer") (IEC: ANYPB6134B), imported a consignment of 991 packages from China under Bill of Lading No. MEDURC466287 dated 24.11.2025, transported in Container No. MSNU5727836. The goods were declared as garment accessories, namely Glass Tikli, Glass Beads, Assorted Plastic Beads, Plastic Buttons, Metal Buttons and Self-Adhesive Tape. The container initially arrived at Mundra Port under IGM No. 1167161 and was thereafter transhipped to Hazira Port under IGM No. 1169522 dated 17.12.2025. Upon arrival at Hazira Port dated 21.12.2025, the container was moved to and stored at M/s. Seabird Marine Services Pvt. Ltd., Container Freight Station (CFS), Hazira, with effect from 21.12.2025 as No Bill of Entry was filed by the importer.

Investigation

2. Based on specific intelligence and NCTC Alert No. 2025-26/IMP/3011 dated 18.12.2025, the container was intercepted and examined by DRI officers. During physical examination conducted under Panchnamas dated 16.02.2026 and 24.02.2026, substantial quantities of undeclared lighter parts such as Plastic Bottoms, Sponge Filters, Plastic Adjust Rings, Wicks, Wick Lids, Metal Screws, Metal Levers and Metal Flame Guards were found concealed within the declared cargo.

3. The lighter parts were found to be restricted for import under DGFT Notification No. 36/2024-25 dated 13.10.2024 issued under the Foreign Trade (Development and Regulation) Act,1992, as amended, read with the Foreign Trade policy. The said restricted goods had not been declared in the import documents, accordingly, the entire consignment was detained under Section 110 of the Customs Act, 1962, on the reasonable belief that the goods were liable to confiscation under the provisions of the Act. Thereafter, the goods were entrusted for safe custody to M/s. Seabird Marine Services Pvt. Ltd. under a Supratnama dated 16.02.2026.

To be published in the Gazette of India Extraordinary Part-II, Section-3, Sub-Section (ii)

Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
Vanijya Bhawan, New Delhi

Notification No. 36 /2024-25
New Delhi, Dated: 13th October, 2024

Subject: Amendment in import policy of parts of lighter Covered under CTH 9613 of Chapter 96 of Schedule –I (Import Policy) of ITC (HS) 2022.

S.O. (E): In exercise of powers conferred by Section 3 and Section 5 of 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 amends the import policy for the following HS Codes covered under Chapter 96 of the ITC (HS), 2022, Schedule -I (Import Policy) as under:

HS codes	Item Description	Import Policy	Existing Policy condition	Revised Policy Condition
96139000	-Parts	Free	-	However, import of Parts of pocket lighters, gas fuelled, non-refillable or refillable shall be **'Restricted'**

2. **Effect of the Notification:**

Import of Parts of pocket lighters, gas fuelled, non-refillable or refillable lighters (Cigarette lighters) under HS codes 96139000, is 'Restricted, with immediate effect.

This is issued with the approval of the Competent Authority.

13.10.24

(Santosh Kumar Sarangi)
Director General of Foreign Trade &
Ex-officio Addl. Secretary to Govt. of India
Email: dgft@nic.in

3.1 Subsequently, a detailed inventory of the detained goods was prepared and representative samples of all the goods were drawn in the presence of a Chartered Engineer during the proceedings conducted under the Panchnama dated 24.02.2026. The details of the representative samples drawn from each category of goods during the Panchnama proceedings dated 24.02.2026 are summarised in the table below:

Table-A

Sr.No.	Item Description	No. of Cartons / PP Bag / Roll/ Bucket	Quantity in 1 Carton/ PP Bag/ Roll / Bucket	Sample Drawn
1	Glass Tikli Without Hole (Garment Accessories)	150	80 Packets	1 Packet

2	Glass Beads With Hole (Garment Accessories) 25 KG	100	25 Kg Glass Beads	10 grams of Glass Beads
3	Glass Beads with Hole (Garment Accessories) 20 KG	90	20 Kg Gass Beads	10 grams of Glass Beads
4	Assorted Plastic Beads	120	24 Kg of Assorted Plastic Beads	10 grams ofassorted Plastic Beads
5	Self Adhesive Tape Sheet (Hotfix Transfer Sheet)	97	1000 sheets	3 Sheets
6	Self Adhesive Tape Roll (Hotfix Transfer Sheet)	230	1 Roll of 500 mtrs	1.0 mtrs of tape
7	Plastic Bottom	37	40000 Pieces	5 pieces
		1	20000 Pieces	
8	Plastic Bottom	75	20000 Pieces	5 pieces
9	Sponge Filter	1	1500000 Pieces	5 pieces
10	Plastic Adjust Ring	2	750000 Pieces	5 pieces
11	Wick	3	500000 Pieces	5 pieces
12	Wick Lid	1	1500000 Pieces	5 pieces
13	Metal Screw	18	80000 Pieces	5 pieces
		1	60000 Pieces	
14	Metal Lever	15	100000 Pieces	5 pieces
15	Metal Flame Guard	50	30000 Pieces	5 pieces

4. Subsequently, the investigation relating to the said import was transferred to the Special Intelligence and Investigation Branch (SIIB), Customs House, Surat, for detailed examination. In exercise of the powers conferred under Section 108 of the Customs Act, 1962, summons were issued to the importer, the authorised representative of the importer, the Customs Broker, and the representatives of the Shipping Line for recording their statements and for production of documents relevant to the investigation. During the course of inquiry, SIIB collected and scrutinised various records and documentary evidence, including import documents, correspondence exchanged between the importer and the overseas supplier, e-mail communications with Customs authorities, records obtained from the Customs Broker and the Shipping Line, Chartered Engineer's Reports, and other material relevant to the case. Further summons under Section 108 of the Customs Act, 1962 were issued, wherever required, for recording additional statements and obtaining further documents necessary for a comprehensive investigation of the matter. The investigation also revealed that the overseas supplier had issued two Commercial Invoices in respect of the same consignment. The original Commercial Invoice contained six declared items, whereas the revised Commercial Invoice contained fifteen items, including the lighter parts subsequently found during examination.

5. Statements of the Importer, Customs Broker and Shipping Line

Statement of Shipping Line: Statement dated 28.07.2026 of Shri S K Pramod Kumar, DGM in M/s.MSC Shipping Line Agency, Surat of M/s. Blue Ocean:

During the course of investigation, summons under Section 108 of the Customs Act, 1962 were issued to Shri S. K. Pramod Kumar, Deputy General Manager of MSC Agency (India) Pvt. Ltd., Surat Branch, the Shipping Line handling the subject consignment. In compliance with the summons, he appeared before the investigating officer and his statement was recorded on 28.07.2026.

During the course of his statement, Shri S. K. Pramod Kumar, inter alia, stated as follows:

- He is working as Deputy General Manager (DGM) with MSC Agency (India) Pvt. Ltd., Surat Branch, having its office at 901, 902, 903 & 917, International Finance Centre, Opposite Vesu Fire Station, VIP Road, Surat. He has been associated with MSC Agency (India) Pvt. Ltd. for about 20 years and has been posted at the Surat Branch since March, 2013. He is responsible for overseeing the operational activities of MSC at Hazira Port.
- He stated that he was duly authorised to appear and depose on behalf of MSC Agency (India) Pvt. Ltd. and produced the authorisation letter issued in his favour.
- He stated that the booking of Container No. MSNU5727836 was made by the overseas shipper, M/s. YIWU JIAKAI Import and Export Company Ltd., China, through the MSC online booking portal.
- He explained the booking procedure adopted by MSC and stated that every shipper is required to register with the MSC office of the country of export after completion of KYC formalities. Thereafter, freight negotiations are carried out by the commercial team of MSC, following which the shipper submits the booking request electronically through the MSC portal.
- According to him, the booking request contains particulars such as the port of loading, port of discharge, container size, consignee's name and address, cargo description and other shipment details. However, no supporting documents are uploaded by the shipper at the booking stage, and the booking is accepted solely on the basis of the self-declaration made by the shipper.
- He stated that the overseas shipper was M/s. YIWU JIAKAI Import and Export Company Ltd., Yiwu, China, and that the Booking Confirmation No. 177GNJNJN0B546A dated 12.11.2025 was issued for transportation of the cargo in a 40-foot container from Ningbo Port, China, to Hazira Port, India. A copy of the Booking Confirmation was produced during the investigation.
- He stated that the description of cargo mentioned in the Booking Confirmation was only "Glass Tikli (Garment Accessories)". No weight was reflected in the Booking Confirmation. He undertook to ascertain from the MSC China office the reasons for the absence of weight particulars and to furnish the information separately.
- He categorically stated that MSC does not supervise the stuffing of containers at the exporter's premises or at the port of loading and has no role in verifying the actual contents of the cargo prior to shipment.

•He further explained that the Bill of Lading is generated exclusively on the basis of the Shipping Instructions uploaded by the shipper through the MSC portal. The Shipping Instructions contain details such as the port of loading, destination, consignee particulars, cargo description and weight. Similar to the booking process, no supporting documents are uploaded while filing the Shipping Instructions, and the particulars are accepted solely on the basis of the self-declaration made by the shipper.

•He produced copy Bill of Lading No. MEDURC466287 dated 24.11.2025. He stated that he had no knowledge regarding the variation, if any, between the description of goods appearing in the Booking Confirmation and those mentioned in the Bill of Lading. He vide letter dated 29.07.2026 stated that as per the normal booking process, the shipper submits the shipping instructions and the Bill of Lading is issued based on the details provided therein.

•He further stated that he had no information regarding any amendment made to the Bill of Lading and undertook to produce copies of all versions of the Bill of Lading, if any amendments had been carried out.

•He stated that the original Bill of Lading No. MEDURC466287 dated 24.11.2025 was issued by MSC after shipment of the cargo. Thereafter, the overseas shipper surrendered the original Bill of Lading to MSC and requested issuance of a Telex Release, enabling delivery of the cargo to the consignee at the destination port.

•He explained that the Non-Negotiable Bill of Lading is merely a duplicate print of the original Bill of Lading. The date appearing on the non-negotiable copy depends upon the date on which it is printed, whereas all other particulars remain identical to those contained in the original Bill of Lading.

•He stated that Container No. MSNU5727836 was loaded on board Vessel MSC Surabaya VIII at Ningbo Port, China, which sailed on 19.11.2025. The vessel arrived at Mundra Port on 10.12.2025 for transhipment. He further stated that the container was scanned at Mundra Port, and the scanning report was cleared by the Customs authorities at Mundra. Subsequently, the container was transhipped on board Vessel MSC Joanna, which sailed from Mundra on 18.12.2025, and the Import General Manifest (IGM) for Hazira Port was filed by MSC before the arrival of the vessel. The container ultimately arrived at Hazira Port on 21.12.2025. Copies of the scanning report email dated 11.12.2025 as reported scanning clear and IGM details downloaded from the ICEGATE portal were produced during the investigation.

•He stated that MSC did not communicate directly with the Customs Broker appointed for the present consignment. However, M/s. Exim Connect, which had acted as the Customs Broker for the importer's previous consignments, requested vide e-mail dated 12.12.2025 that the container be moved to M/s. Seabird Marine Services Pvt. Ltd., CFS. Based on the said request, the container was earmarked for Seabird CFS, and the concerned Customs Broker was informed through e-mail dated 17.12.2025. Copies of the relevant e-mail correspondence were produced.

- He stated that the Delivery Order in respect of the subject container had been issued by MSC. He further stated that the freight charges had already been paid by the overseas shipper, whereas the local charges relating to the Delivery

Order had been paid by the importer. A copy of the Delivery Order was produced during the investigation.

- He categorically stated that MSC had no knowledge of any discrepancy between the goods declared in the Bill of Lading and the goods actually found inside the container. According to him, the Shipping Line had issued the Bill of Lading solely on the basis of the information declared by the overseas shipper and had neither supervised the stuffing of the container nor physically verified the cargo before shipment.

Statement of Customs Broker: Statement dated 27.07.2026 of Shri Jaikishan Bipin Kotak G-Card of M/s.Shri Radha Krishna Shipping Pvt. Ltd.(CHA) of M/s.Blue Ocean:

During the course of investigation, summons under Section 108 of the Customs Act, 1962 were issued to Shri Jaikishan Bipin Kotak, Director and G-Card Holder of M/s. Shri Radha Krishna Shipping Pvt. Ltd., the Customs Broker appointed by M/s. Blue Ocean for clearance of the subject consignment. In compliance with the summons, he appeared before the investigating officer and his statement was recorded on 27.07.2026.

During the course of his statement, Shri Jaikishan Bipin Kotak, inter alia, stated as follows:

- He is the Director of M/s. Shri Radha Krishna Shipping Pvt. Ltd., having its registered office at 40, Goa Street, Shahid Bhagat Singh Road, Fort, Mumbai – 400001, and has been associated with the company since 2006. He is responsible for the operational, managerial and accounting functions of the company.
- He produced a copy of his valid G-Card, bearing CBLR No. 1983MUMB11275, and confirmed that he was authorised to undertake Customs clearance work on behalf of importers.
- He stated that M/s. Blue Ocean (IEC: ANYPB6134B) appointed M/s. Shri Radha Krishna Shipping Pvt. Ltd. as its Customs Broker for the present consignment on 24.01.2026. He produced a copy of the Letter of Authority executed by the importer.
- He stated that, prior to accepting the assignment, the Customs Broker had verified the Importer Exporter Code (IEC), GST Registration, PAN and Know Your Customer (KYC) credentials of the importer in compliance with Regulation 10(n) of the Customs Brokers Licensing Regulations, 2018.
- He stated that the import documents, namely the Commercial Invoice, Packing List and Bill of Lading, were received from Shri Gaurav Pukhraj Kothari, Power of Attorney Holder of M/s. Blue Ocean, on 20.01.2026, and that all the documents were received simultaneously.
- He further stated that, after scrutinising the import documents, a First Check checklist was prepared on 22.01.2026 with Single Window Code LVA950, as the importer intended to seek examination of the goods by Customs before clearance or re-export. He produced a signed copy of the checklist dated 22.01.2026.

- He stated that, upon scrutiny of Commercial Invoice No. C15/HZA140, it was observed that the invoice contained 15 items. Based on the description of the goods, he formed the preliminary opinion that:
  o Serial Nos. 1 to 6 were eligible for clearance for home consumption, being garment accessories regularly imported by the importer.
  o Serial Nos. 11 and 12 might also be eligible for home consumption, subject to physical examination and proper classification.
  o Serial Nos. 7 to 10 and 13 to 15 appeared to be restricted goods, requiring a valid DGFT Authorisation in terms of DGFT Notification No. 36/2024-25 dated 13.10.2024.
- He stated that the above observations were verbally communicated to the importer, and the importer was informed that the restricted goods could not be cleared for home consumption without the requisite authorisation issued by the Directorate General of Foreign Trade (DGFT).
- He further stated that the checklist prepared on 22.01.2026 was forwarded to the importer through e-mail on the same day and was duly approved by the importer.
- Since the statutory period prescribed under Section 48 of the Customs Act, 1962 had expired before the original import documents were received, a representation dated 25.01.2026 was submitted by the Customs Broker to Hazira Import requesting permission to file the Bill of Entry beyond the prescribed period. The said representation was accompanied by the proposed checklist. He produced copies of the e-mails dated 22.01.2026 and 25.01.2026, together with the checklist.
- He clarified that no Bill of Entry was ultimately filed in respect of the subject consignment.
- He further stated that the checklist was prepared solely on the basis of the Commercial Invoice, Packing List and Bill of Lading made available by the importer. Since the goods had not been physically examined at that stage, the precise Customs Tariff Classification could not be finally determined.
- He admitted that he was aware that parts of lighters, classifiable under CTH 96139000, were Restricted for import under DGFT Notification No. 36/2024-25 dated 13.10.2024, and that import thereof required a valid authorisation issued by DGFT.
- He further stated that no enquiry was made with the Shipping Line regarding the restricted nature of the goods reflected in the Commercial Invoice.

Statement of Importer: Statement dated 27.07.2026 of Shri Gaurav Pukhraj Kothari, Power of Attorney hold of M/s.Blue Ocean:

During the course of investigation, summons under Section 108 of the Customs Act, 1962 were issued to Shri Gaurav Pukhraj Kothari, Power of Attorney Holder of M/s. Blue Ocean (IEC: ANYPB6134B). In compliance with the summons, he appeared before the investigating officer and his statement was recorded on 27.07.2026.

During the course of his statement, Shri Gaurav Pukhraj Kothari, inter alia, stated as follows:

- He is the authorised Power of Attorney Holder of M/s. Blue Ocean, a proprietorship concern of Ms. Prabha Vikram Kothari, and has been managing the day-to-day affairs of the firm since March, 2025. He produced copies of the Power of Attorney, IEC Certificate, GST Registration Certificate and PAN Card.
- He stated that M/s. Blue Ocean obtained GST Registration on 16.10.2024 and an Importer Exporter Code (IEC) on 03.03.2025. The firm is engaged in the domestic trading of garment accessories procured through imports as well as domestic purchases and is not engaged in export activities.
- He stated that the present consignment was ordered during his personal visit to China in October, 2025. However, no written purchase order, sales contract or documentary evidence regarding placement of the order was maintained. According to him, the commercial terms relating to quality, quantity, packing, freight, insurance, delivery schedule and payment were finalised through telephonic discussions and personal meetings with the overseas supplier.
- He stated that all communications with the overseas supplier prior to shipment were made through WeChat, WhatsApp and telephonic conversations. He undertook to produce the relevant electronic communications. However, he subsequently stated that the mobile phone containing such communications had been stolen and, therefore, no backup data was available.
- He stated that the supplier confirmed dispatch of the goods through WeChat/WhatsApp before shipment. According to him, the supplier did not provide any documentary evidence regarding stuffing or loading of the container.
- He explained the procedure followed for shipment and stated that Bill of Lading No. MEDURC466287 dated 24.11.2025 was issued by MSC Shipping Line after loading of the container. The original Bill of Lading was surrendered by the overseas supplier to obtain a Telex Release, which enabled delivery of the cargo in India.
- He stated that the original Commercial Invoice, Packing List and Bill of Lading contained only six categories of garment accessories. Subsequently, the overseas supplier issued a revised Commercial Invoice No. C15/HZA140, containing fifteen items, after informing him that goods belonging to another customer had inadvertently been loaded into the subject container.
- He admitted that two Commercial Invoices had been issued for the same consignment. One invoice contained six items, whereas the revised invoice contained fifteen items. He further admitted that he had not sought any clarification from the supplier regarding the issuance of two separate invoices.
- He stated that during the last week of December, 2025, the overseas supplier informed him through telephonic conversation that certain goods belonging to another customer had been mistakenly loaded into the subject container. However, he admitted that he possessed no documentary evidence in support of the said telephonic communication.
- He further stated that, on 20.01.2026, he received an e-mail from the overseas supplier stating that the goods belonging to another customer had been wrongly loaded into the container. Along with the said communication, the

supplier forwarded a revised Commercial Invoice containing fifteen items. According to him, no documentary evidence was available regarding the WeChat communication through which the revised Commercial Invoice was allegedly received.

- He categorically stated that M/s. Blue Ocean had placed orders only for six categories of garment accessories and had not ordered the lighter parts found during examination. However, he admitted that no purchase order or documentary evidence was available to substantiate the said claim.
- He stated that he was not aware that parts of lighters were restricted for import under DGFT Notification No. 36/2024-25 dated 13.10.2024. According to him, he became aware of the restriction only on 24.01.2026, after being informed by M/s. Shri Radha Krishna Shipping Pvt. Ltd., the Customs Broker appointed for the present consignment.
- He stated that no Bill of Entry was filed in respect of the subject consignment. Immediately upon receipt of the supplier's e-mail dated 20.01.2026, he addressed an e-mail to Hazira Customs seeking permission to re-export the wrongly shipped goods. Thereafter, he submitted a representation dated 02.02.2026 to the Additional Commissioner of Customs, Ahmedabad, requesting permission to re-export the consignment. According to him, the Customs Broker informed him that partial re-export through the EDI system was not feasible without filing a Bill of Entry, and therefore he requested permission to re-export the entire consignment.
- He further stated that the Customs authorities were informed about the alleged wrong shipment on 20.01.2026. Subsequently, vide e-mail dated 12.02.2026, Hazira Import informed him that the subject consignment had been detained by the officers of the Directorate of Revenue Intelligence (DRI).
- He admitted that no commercial, insurance or legal claim had been lodged against the overseas supplier in respect of the alleged wrong shipment. He further stated that no enquiry had been made with the Shipping Line regarding the restricted nature of the additional goods reflected in the revised Commercial Invoice.
- Finally, he stated that no payment had been made to the overseas supplier in respect of the present consignment as on the date of recording of his statement.

Statement of Importer : Statement dated 30.07.2026 of Shri Gaurav Pukhraj Kothari, Power of Attorney hold of M/s.Blue Ocean:

During the course of further investigation, Shri Gaurav Pukhraj Kothari, Power of Attorney Holder of M/s. Blue Ocean, was again summoned under Section 108 of the Customs Act, 1962 and his further statement was recorded on 30.07.2026.

During the course of his statement, he, inter alia, stated as follows:

- He confirmed that he had read his earlier statement dated 27.07.2026 and admitted the contents thereof to be true and correct. In token of having accepted the said statement, he affixed his dated signature thereon.

- In continuation of his earlier statement, he produced copies of the e-mail correspondence exchanged with the overseas supplier from 20.01.2026 onwards. He reiterated that all communications prior to 20.01.2026 had been made through WeChat and stated that the mobile phone containing the WeChat communications was no longer available, due to which those records could not be produced.
- He further stated that no written confirmation regarding the shipment of the goods had been received from the overseas supplier prior to dispatch of the container, as the confirmation was conveyed only through telephonic conversations. Consequently, no documentary evidence in this regard was available.
- He produced a copy of the original Commercial Invoice, which have six products, according to him, had been received from the overseas supplier through e-mail dated 30.07.2026, pursuant to a request made by him vide e-mail dated 29.07.2026.
- He stated that a Bill of Entry may ordinarily be filed in advance before the arrival of the goods, subject to the provisions of the Customs Act, 1962 and the applicable Customs procedures.
- He further stated that the documents generally required for filing a Bill of Entry include the Commercial Invoice, Packing List, Certificate of Origin, Insurance documents and Bill of Lading. However, in the present case, the overseas supplier withheld the Commercial Invoice, Packing List, Certificate of Origin and Insurance documents due to non-payment of outstanding dues relating to earlier consignments. According to him, these documents were received only on 22.01.2026, after which they were made available to the Customs Broker.
- He stated that he was not aware of the statutory consequences of non-filing of the Bill of Entry, including the liability towards demurrage, ground rent or any penal action under the Customs Act, 1962.

6. Examination of Goods

Undeclared Goods

6.1 Physical examination of Container No. MSNU5727836 under Panchnamas dated 16.02.2026 and 24.02.2026 revealed that, besides the declared garment accessories, the container also contained substantial quantities of lighter parts including **Plastic Bottoms, Sponge Filters, Plastic Adjust Rings, Wicks, Wick Lids, Metal Screws, Metal Levers and Metal Flame Guards. These items were not declared in the original import documents in addition to the declared cargo.**

Undervaluation of Imported Goods

6.2 The Chartered Engineer (Shri Bhasker G. Bhatt) submitted his reports bearing Ref. No. BB/B-24/26/VTC-PE/Hazira dated 07.05.2026 and the supplementary report dated 20.07.2026 and 03.08.2026. **As per the said reports, the total estimated value of the imported goods was assessed at approximately USD 59,747, whereas the value declared in the Commercial Invoice was only USD 19,682 and the**

estimated value of the undeclared restricted lighter parts alone was assessed at approximately USD 31,842/-.

7. Findings and Conclusion of Investigation

It appeared from the investigation that :-

i. The declared transaction value covered only the six categories of goods reflected in the original Commercial Invoice.

ii. Physical examination revealed the presence of additional goods not covered under the original import documents.

iii. The Chartered Engineer assessed the estimated value of the entire consignment at USD 59,747/-, including approximately USD 31,842/- towards the value of the restricted lighter parts. The difference between the declared value and the estimated value is attributable to the presence of additional goods found during examination and requires consideration while determining the assessable value under the provisions of the Customs Act, 1962 and the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

iv. The undeclared goods i.e. Plastic Bottoms, Sponge Filters, Plastic Adjust Rings, Wicks, Wick Lids, Metal Screws, Metal Levers and Metal Flame Guards, are Restricted for import and can be imported only against a valid Authorisation issued by the Directorate General of Foreign Trade (DGFT) as per DGFT Notification No. 36/2024-25 dated 13.10.2024. The importer was unable to produce any such authorisation or licence during the course of investigation.

v. The evidence produced by MSC Agency (India) Pvt. Ltd. establishes that the Booking Confirmation, Shipping Instructions and Bill of Lading were generated solely on the basis of the declarations made by the overseas shipper. The Shipping Line neither supervised the stuffing of the container nor physically verified the cargo before shipment. No evidence was brought on record during the investigation indicating prior knowledge on the part of the Shipping Line regarding the actual contents of the container.

vi. No material evidence was brought on record during the investigation to indicate the involvement of the Customs Broker in the stuffing, shipment or misdeclaration of the goods.

8. Legal Provisions

Section 111 of the Customs Act. 1962*: Confiscation of improperly imported goods, etc.- The following goods brought from a place outside India shall be liable to confiscation:*

a) …

(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 3[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.

Relevant Legal provisions under Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 in so far as they relate to thefacts of the case

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.*

(2) At the request of an importer, the proper officer, shall intimate the importer in writing the grounds for doubting the truth or accuracy of the value declared in relation to goods imported by such importer and provide a reasonable opportunity of being heard, before taking a final decision under sub-rule (1).

Explanation.-(1) For the removal of doubts, it is hereby declared that:-

(i) This rule by itself does not provide a method for determination of value, it provides a mechanism and procedure for rejection of declared value in cases where there is reasonable doubt that the declared value does not represent the transaction value; where the declared value is rejected, the value shall be determined by proceeding sequentially in accordance with rules 4 to 9.

(ii) The declared value shall be accepted where the proper officer is satisfied about the truth and accuracy of the declared value after the said enquiry in consultation with the importers.

(iii) The proper officer shall have the powers to raise doubts on the truth or accuracy of the declared value based on certain reasons which may include – (a) the significantly higher value at which identical or similar goods imported at or about the same time in comparable quantities in a comparable commercial transaction were assessed; (b) the sale involves an abnormal discount or abnormal reduction from the ordinary competitive price;

(c) *the sale involves special discounts limited to exclusive agents;*

(d) the misdeclaration of goods in parameters such as description, quality, quantity, country of origin, year of manufacture or

production; grade, (e) *the non declaration of parameters such as brand, specifications that have relevance to value;*
(f) the fraudulent or manipulated documents.

Rule 3-Determination of the method of valuation
(1) Subject to rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of rule 10;
(2) Value of imported goods under sub-rule (1) shall be accepted:
Provided that –

(a) there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which -
(i) are imposed or required by law or by the public authorities in India; or (ii) limit the geographical area in which the goods may be resold; or
(iii) do not substantially affect the value of the goods;
(b) the sale or price is not subject to some condition or consideration for which a value cannot be determined in respect of the goods being valued;
(c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of rule 10 of these rules;
and
(d) the buyer and seller are not related, or where the buyer and seller are related, that transaction value is acceptable for customs purposes under the provisions of sub-rule (3) below.
(3) (a) Where the buyer and seller are related, the transaction value shall be accepted provided that the examination of the circumstances of the sale of the imported goods indicate that the relationship did not influence the price.
(b) In a sale between related persons, the transaction value shall be accepted, whenever the importer demonstrates that the declared value of the goods being valued, closely approximates to one of the following values ascertained at or about the same time.
(i) the transaction value of identical goods, or of similar goods, in sales to unrelated buyers in India;

(ii) the deductive value for identical goods or similar goods;
(iii) the computed value for identical goods or similar goods:
Provided that in applying the values used for comparison, due account shall be taken of demonstrated difference in commercial levels, quantity levels, adjustments in accordance with the provisions of rule 10 and cost incurred by the seller in sales in which he and the buyer are not related;
(c) substitute values shall not be established under the provisions of clause (b) of this sub-rule.
(4) if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through rule 4 to 9.

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;
Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.
(b) In applying this rule, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the value of imported goods.
(c) Where no sale referred to in clause (b) of sub-rule (1), is found, the transaction value of identical goods sold at a different commercial level or in different quantities or both, adjusted to take account of the difference attributable to commercial level or to the quantity or both, shall be used, provided that such adjustments shall be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustments, whether such adjustment leads to an increase or decrease in the value.
(2) Where the costs and charges referred to in sub-rule (2) of rule 10 of these rules are included in the transaction value of identical goods, an adjustment shall be made, if there are significant differences in such costs and charges between the goods being valued and the identical goods in question arising from differences in distances and means of transport.
(3) In applying this rule, if more than one transaction value of identical goods is found, the lowest such value shall be used to determine the value of imported goods.

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

Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.
(2) The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, mutatis mutandis, also apply in respect of similar goods.

Rule 6-Determination of value where value can not be determined under rules 3, 4 and 5.-

If the value of imported goods cannot be determined under the provisions of rules 3, 4 and 5, the value shall be determined under the provisions of rule 7 or, when the value cannot be determined under that rule, under rule 8. Provided that at the request of the importer, and with the approval of the proper officer, the order of application of rules 7 and 8 shall be reversed.

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 the imported goods:

(b) an amount for profit and general 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;

€ 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.

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 : ***Provided*** *that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. Of the penalty so determined;*
(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees, whichever is the greater; (iv) In the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared values and the value thereof or five thousand rupees, whichever is the highest; (v) In the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.

9. Contraventions

9.1 From the investigation conducted and report submitted, it appears that M/s. Blue Ocean imported a consignment which, upon detailed examination, was found to contain undeclared parts of pocket lighters in addition to the declared garment accessories. The lighter parts, namely Plastic Bottoms, Sponge Filters, Plastic Adjust Rings, Wicks, Wick Lids, Metal Screws, Metal Levers and Metal Flame Guards, were found in addition to the declared goods and were not reflected in the original import documents such as the Bill of Lading and Commercial Invoice. Such misdeclaration regarding the description, classification, quantity and value of the imported goods renders the goods liable to confiscation under Section 111(m) of the Customs Act, 1962.

9.2 Further, it appears that the aforesaid lighter parts are "Restricted" for import in terms of DGFT Notification No. 36/2024-25 dated 13.10.2024 issued under the Foreign Trade (Development and Regulation) Act, 1992 and the Foreign Trade Policy. The importer did not possess any valid DGFT Authorisation or licence permitting import of such restricted goods. Therefore, the import of the lighter parts was in contravention of the provisions of the Foreign Trade (Development and Regulation) Act, 1992, the Foreign Trade Policy and the said DGFT Notification. Consequently, the restricted goods are liable to confiscation under Section 111(d) and 111(m) of the Customs Act, 1962 as goods imported contrary to a prohibition or restriction imposed under law.

9.3 Further, the investigation revealed the existence of two different Commercial Invoices relating to the same consignment. The original Commercial Invoice contained only six items, whereas the revised Commercial Invoice contained fifteen items including the lighter parts subsequently detected during examination.

9.4 The Chartered Engineer's reports further established a substantial difference between the declared value of USD 19,682 and the estimated value of USD 59,747 for the goods actually found in the container, including lighter parts valued at approximately USD 31,842. Hence, it appears that the discrepancy in valuation, coupled with non-declaration of substantial quantities of goods, provides grounds for rejection of the declared transaction value under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962 and for re-determination of assessable value as per law.

9.5 Whereas investigation has alleged that the declared garment accessories covered under Serial Nos. 1 to 6 of the revised Commercial Invoice were used for concealing the restricted lighter parts imported without the requisite DGFT authorisation. Therefore, the said goods also appear liable to confiscation under Section 119 of the Customs Act, 1962 as goods used for concealing goods liable to confiscation under the provisions of the Act.

9.6 Whereas by importing restricted goods without the mandatory DGFT authorisation, by using import documents which did not correctly declare the actual

goods found in the consignment, and by rendering the goods liable to confiscation under Sections 111(d), 111(m) and 119 of the Customs Act, 1962, M/s. Blue Ocean appeared to have rendered itself liable to penalty under Section 112(a)(i) of the Customs Act, 1962.

9.7 Whereas investigation has alleged the existence of multiple commercial invoices, discrepancies in import documentation, absence of supporting commercial records and use of documents that failed to correctly reflect the actual contents of the consignment. Hence, the importer appears to have rendered themselves liable to penalty under Section 114AA of the Customs Act, 1962.

10. PH and Submissions:

10.1 The importer made submissions vide letters dated 27.07.2026, 30.07.2026 (received on 03.08.2026) and NIL (received on 03.08.2026). The importer has submitted that their imported consignment consisted of garments accessories, including plastic beads and glass beads, intended for home consumption. The undeclared goods in the consignment were mistakenly loaded into their container by the overseas supplier. These goods were neither ordered not purchased by them.

10.2 Further, they submitted that the imported goods are sensitive to environment conditions and prolonged exposure to high humidity and salt-laden coastal air might adversely affect imported goods wuality, appearance and usability. Hence, the importer requested to clear the the declared goods for home condsumption and allow them to re-export the wrongly loaded goods, detailed as below:

As Below List permit clearance of our goods for home consumption

NO.	DESCRIPTION	CTN
1	GLASS TIKLI WITHOUT HOLE (GARMENT ACCESSORIES)	150
2	GLASS BEADS WITH HOLE (GARMENT ACCESSORIES) 25KG	100
3	GLASS BEADS WITH HOLE (GARMENT ACCESSORIES) 20KG	90
4	ASSORTED PLASTIC BEADS	120
5	SELF ADHESIVE TAPE SHEET (HOTFIX TRANSFER SHEET)	97
6	SELF ADHESIVE TAPE ROLL (HOTFIX TRANSFER ROLL)	230

As Below List allow to re-export

NO.	DESCRIPTION	CTN
1	PLASTIC BOTTOM	38
2	PLASTIC BUTTOM	75
3	SPONGE FILTER	1
4	PLASTIC ADJUST RING	2
5	WICK	3
6	WICK LID	1
7	METAL SCREW	19
8	METAL LEVER	15
9	METAL FLAME GUARD	50

10.2.1 Further, the importer, vide letter dated NIL **(received on 03.08.2026), requested waiver of the Show Cause Notice and prayed that the matter be adjudicated on the basis of the available records and the facts already placed on record.** The importer also expressed its willingness to abide by the decision of the Department and to discharge all applicable Customs Duty, fine, penalty, and any other lawful dues as may be determined by the competent authority.

10.3 Shri Gaurav Pukhraj Kothari, Authorised Representative of M/s. Blue Ocean appeared in the personal hearing held on **13.08.2026** and submitted that the impugned goods were wrongly shipped by the overseas supplier and pleaded ignorance of the same. He further submitted that as soon as he came to know of the same, he requested for re-export of the same. He has requested to take lenient view of the same as this mistake was beyond his control and he is a small importer. He prayed that he has already suffered huge costs in this consignment by the way of the demurrages and detention. He requested to sympathetically consider his severe financial condition due to the losses made in this consignment.

11. Discussion and Findings

11.1 I have carefully gone through the Investigation Report, the submissions made by the noticee in written as well as during the course of the personal hearing and available records of the case. The issues for consideration before me in these proceedings are as under:-

i. Whether the goods found in excess and not declared in the import documents (SN 7 to 15 of Table-A) are liable to confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962, or not; and whether permission for re-export of such wrongly loaded goods should be granted to the importer or not;

ii. Whether the declared imported goods (SN 1 to 6 of Table-A) are liable for confiscation as per provisions of Section 111(m) and 119 of the Customs Act, 1962 or not;

iii. Whether the total assessable value of declared goods liable to be re-assessed to USD 27,905/- and un-declared imported goods should be valued at USD 31,842/-, or not;

iv. Whether Penalty under Section 112(a) and Section 114AA of Customs Act, 1962 should be imposed on the importer or not.

Whether the goods found in excess and not declared in the import documents are liable to confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962, or not; and whether permission for re-export of such wrongly loaded goods may be granted to the importer or not.

11.2 I have carefully considered the facts of the case, the investigation report, the Panchnamas dated 16.02.2026 and 24.02.2026, the statements of the importer(dated 27.07.2026 & 30.07.2026), Customs Broker(dated 27.07.2026) and Shipping Lines(dated 28.07.2026) recorded under Section 108 of the Customs Act, 1962, the documentary evidence placed on record and the submissions made by the importer. I find that during the examination of Container No. MSNU5727836, various goods namely Plastic Bottoms, Sponge Filters, Plastic Adjust Rings, Wicks, Wick Lids, Metal Screws, Metal Levers and Metal Flame Guards were found in the consignment although the said goods were not the Commercial Invoice and the Bill of Lading. The Chartered Engineer's reports dated 07.05.2026 and supplementary reports dated 20.07.2026 & 03.08.2026, and the physical examination conducted by DRI further confirmed the existence, quantity, classification and value of these undeclared goods.

11.3 I find that the said goods were not declared in the original import documents accompanying the consignment. The original Commercial Invoice and Bill of Lading reflected only six categories of garment accessories, whereas the examination revealed the presence of additional lighter parts. Hence, the description and particulars of the goods actually imported did not correspond with those declared in the import documents. Therefore, **I hold that the impugned undeclared goods are liable for confiscation under Section 111(m) of the Customs Act, 1962 for misdeclaration of imported goods.**

11.4 I further find that the investigation has established that the aforesaid goods are parts of pocket lighters and their import is governed by DGFT Notification No. 36/2024-25 dated 13.10.2024, whereby import of lighters and their parts has been placed under the "Restricted" category requiring a valid DGFT Authorisation. However, no such authorisation was possessed or produced by the importer during the course of investigation. I find that the said undeclared imported goods were in contravention DGFT Notification and the Foreign Trade (Development and Regulation) Act, 1992, as amended. Therefore, **I hold that the impugned undeclared imported goods are liable for confiscation under Section 111(d) of the Customs Act, 1962.**

11.5 I have carefully considered the request of the importer for re-export of the impugned undeclared goods, the submissions made during the course of investigation, and the submissions recorded during personal hearing. I observe that the importer has consistently taken the stand that only six categories of garment accessories were ordered from the overseas supplier and that the lighter parts found during examination were wrongly loaded into the subject container by the supplier. Further, it was observed that the importer, on his own initiative, emailed the Customs Office on 20.01.2026 and informed that, due to an inadvertent error at the supplier's end, incorrect goods had been shipped in Container No. MSNU5727836 and requested for permission to re-export all goods back to the supplier.

11.6. I find that the importer also caused to file and approved a check list prepared by the Customs Broker for the imported goods, which is made as part of the records of the investigation conducted. In the said checklist all the items which are

identified as the parts of the lighter in the investigation are duly declared with the correct Tariff Item i.e. 96139000, which covers the goods *"Cigarette Lighters And Other Lighters, Whether Or Not Mechanical Or Electrical, And Parts Thereof Other Than Flints And Wicks"*. The importer also submitted a letter dated 02.02.2026 to the Customs Office reiterating the same facts. I find that these disclosures by the importer, were made prior to the commencement of investigation by the DRI. Further, I find that the importer requested for permission to re-export the entire consignment as Customs Broker informed him that partial re-export through the EDI system was not feasible without filing a Bill of Entry. I further observe that the importer vide letter dated 27.07.2026 and 30.07.2026 requested for clearance of goods mentioned at SN 1 to 6 of Table-A and re-export of the undeclared goods mentioned at SN 7 to 15 of Table-A. From the above, I find that there is no evidence brought forth in the investigation report that the entire non-declaration was done by the overseas supplier with the knowledge or under the orders of the importer.

11.6. However, in terms of the Sections 111 and 112, knowledge of the importer is not a pre-requisite for holding the goods liable for confiscation.

11.7 Therefore, as discussed above, while upholding the confiscation of the impugned undeclared restricted goods under Sections 111(d) and 111(m) of the Customs Act, 1962, I allow the importer an option to re-export the said goods, on payment of redemption fine.

Whether the declared imported goods are liable for confiscation as per provisions of Section 111(m) and 119 of the Customs Act, 1962 or not.

11.8 I find that the subject consignment, though declared as containing garment accessories, was found on examination to contain substantial quantities of undeclared lighter parts concealed in the cargo. The physical examination conducted by DRI established that the goods actually found in the container did not fully correspond with the description contained in the import documents. I further find that the original Commercial Invoice and Bill of Lading declared only six categories of garment accessories, whereas the examination revealed the presence of additional goods, namely Plastic Bottoms, Sponge Filters, Plastic Adjust Rings, Wicks, Wick Lids, Metal Screws, Metal Levers and Metal Flame Guards. Thus, the particulars declared in relation to the imported goods did not correspond with the goods actually imported. Such discrepancy is not a minor variation but a material misdeclaration affecting the description, classification, quantity and value of the imported goods. **Therefore, I hold that the goods are liable for confiscation under Section 111(m) of the Customs Act, 1962.**

11.9 Further, I observe that the investigation report alleged that the undeclared restricted lighter parts were concealed within the declared cargo and, on that basis, liable for confiscation under Section 119 of the Customs Act, 1962. However, upon perusal of the Panchnama dated 16.02.2026 and factual matrix of the case including the Checklist filed for the imported goods, I do not find any such factor which could suggest that the declared goods are in fact are used to conceal the undeclared goods. Reliance in this regard is placed on the Hon'ble Tribunal's decision in the case of

Principal Commissioner of Customs, New Delhi Versus Salasar Impex [(2024) 15 Centax 385 (Tri.-Del)] wherein it is held as follows:

> **28.** It is not in dispute that the LLDPE granules were declared in the Bill of Entry. It is also not in dispute that they were also mentioned in the IGM. The case of Revenue is that the appellant attempted to smuggle the areca nuts because they were not mentioned in the IGM and the LLDPE granules were used to conceal the areca nuts and hence the LLDPE granules were liable to confiscation under section 119 and the confiscation has been wrongly *set aside* in the impugned order. Section 119 reads as follows:
>
> Section 119. Confiscation of goods used for concealing smuggled goods. - Any goods used for concealing smuggled goods shall also be liable to confiscation.
>
> *Explanation* . - In this section, "goods" does not include a conveyance used as a means of transport.
>
> **29.** It is a matter of record that both the areca nuts and the LLDPE granules were mentioned in the Bill of Entry and the goods were found as per the description. The IGM (which is filed by the master of the vessel or his agent) did not mention the areca nuts. However, it did mention the LLDPE granules. The respondent importer had not, initially filed the Bill of Entry and therefore, an alert was placed in the Customs EDI system and thereafter the respondent filed the Bill of Entry the next date. The reason for delay in filing in the Bill of Entry was, according to the respondent, the death of the person who had initially placed the order. According to the Revenue, the respondent filed the Bill of Entry knowing that the alert was placed in the system. Commissioner (Appeals) held in the impugned order that to say that the respondent filed the Bill of Entry because of the alert amounts to saying that the confidentiality of the alert placed by the department is not maintained. We fully agree with the Commissioner (Appeals). If the Revenue suspected any foul play and put an alert in the Customs EDI system, it is for it to at least ensure that it is not done in a manner as to be available to the importer. In the absence of any evidence that the alert was communicated to the importer, the filing of the Bill of Entry cannot be correlated with the placing of an alert in the system even if the Bill of Entry is filed the next day. We do not find any evidence to show that the respondent importer used the LLDPE to conceal the areca nuts. He declared both the areca nuts and LLDPE in the Bill of Entry. The IGM is not filed by the importer but is filed by the master of the vessel or his representative. If something is amiss in the IGM, it cannot be held against the respondent importer.
>
> **30.** Further, section 119 does not say that the goods used for concealing the smuggled goods 'shall be confiscated' but only says that they shall be 'liable to confiscation'. ***The expression 'shall be liable to confiscation' was interpreted by the Hon'ble High Court of Delhi in Jain Exports (P) Ltd.*** [8] ***and it was held that the adjudicating authority has the discretion to decide whether or not to confiscate but he has to exercise this discretion judicially and not arbitrarily.*** The relevant part of this order is as follows:
>
> ……..The language does necessarily imply that there is a discretion because the language is not "such goods shall be confiscated". On the other hand the language is "such goods shall be liable to confiscation". The Collector of Customs when acting under section 167 obviously acting in a quasi-judicial capacity. When discretion is vested in such a quasi-judicial tribunal, such discretion must be exercised judicially and not arbitrarily. The Collector must decide in each particular case if there were circumstances which would call for the drastic punishment of confiscation. If there was a case in which discretion should have been exercised in favour of the importer, this was such a case…..

> **31.** This decision was upheld by the Hon'ble Supreme Court[9]. Hon'ble Madras High Court also held so in SHA RIKABDOSS BHAVARLAL[10]. Therefore, even if the LLDPE granules were used to conceal the smuggled goods, the adjudicating authority and the appellate authority need to exercise their discretion to see if they should be confiscated. In our considered view, in the f actual matrix of this case, the Commissioner (Appeals) has correctly *set aside* the confiscation of the LLDPE granules under section 119**. [Emphasis supplied]**

11.10. Therefore, I hold that confiscation of the declared goods under Section 119 of the Customs Act, 1962 is not legally sustainable and is liable to be dropped.

11.11. Accordingly, while holding the impugned goods liable to confiscation under the relevant provisions of the Customs Act, 1962, I deem it fit to exercise the discretion vested in me under Section 125 of the Customs Act, 1962 and extend to the importer an option to redeem the seized goods on payment of an appropriate redemption fine in lieu of confiscation. Section 125 reads as follows:

> "(1) Whenever confiscation of any goods is authorized 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:"

11.12. With respect to the request of the importer in seeking re-export of the goods which are restricted for import and clearance of the goods for home consumption which are free to import, I find that as he has consistently maintained his stand that the restricted goods were sent by the supplier by mistake and it is not proved otherwise in the investigation report, I find that the said request as acceptable.

Whether the total assessable value of declared goods liable to be re-assessed to USD 27,905/- and un-declared imported goods should be valued at USD 31,842/-, or not.

11.12 I find that as two invoices are found during investigation, the value declared by the importer is rejected as per the provision of Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules,2007. So, the same is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

11.13 Since the import data extracted with respect to contemporaneous imports was general in nature, and contemporaneous data for imports of identical or similar goods was not available or found, the value could not be determined under Rules 4 and 5 of the CVR, 2007. As per Rule 6 ibid, if the value cannot be determined under Rules 3, 4, and 5, it shall be determined under Rule 7; and if it cannot be determined under Rule 7, then under Rule 8. However, the domestic market lacks sufficient sales data for identical or similar goods with comparable variety, specifications, quality, and dimensions necessary for valuation under Rule 7.

Further, substantial data related to the cost or value of materials, fabrication, or other processing employed in producing the imported goods, which is required to compute the value under Rule 8, is also not available. Therefore, the valuation of the impugned goods could not be ascertained under Rules 7 or 8, and hence, the value is to be determined in terms of Rule 9 of the CVR, 2007. Therefore, the value of the subject import consignments is to be determined on the basis of the valuation submitted by the Govt. approved Charted Engineer, Shri Bhasker G. Bhatt vide reports dated 07.05.2026 and his supplementary reports 20.07.2026 & 03.08.2026, as per the provision of the Section 14 of the Customs Act, 1962 read with Rule 3 and Rule 9 of the Customs Valuation (Determination of value of the Imported Goods) Rules, 2007. As per the valuation report submitted by the Charted Engineer, for the impugned goods i.e. declared goods and undeclared goods, are as under:

Table-B

SN	Goods	Value provided by the CE USD
1	Declared Goods (SN 1 to 6)	27,905
2	Undeclared Goods (7 to 15)	31,842
Total		59,747

11.14 I find the declared total assessable value of goods is liable to be rejected and the declared goods(SN 1 to 6 of Table-A) assessable value are liable to be re-assessed at USD 27,905 and the undeclared goods(SN 7 to 15) are valued at USD 31,842.

11.14.1 Further, I observe that, although no Bill of Entry was filed in the present case, the authorized Customs Broker had submitted a Checklist for Home Consumption on 22.01.2026 adopting an exchange rate of 1 USD = INR 91.20. Accordingly, I consider the said exchange rate, as declared in the Checklist, for the purpose of determining the value of the goods only for the purpose of the determination of the redemption fine and penalty under the relevant provisions of the Customs Act.

Whether Penalty under Section 112(a) of Customs Act, 1962 should be imposed on the importer or not.

11.15 The provisions of Section 112 of the Customs Act, 1962 which read as under:

> 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 incarrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing,

or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,
shall be liable, -
(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding the value of the goods or five thousand rupees, whichever is the greater;
(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher :
Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;

11.16 Section 112(a) of the Customs Act, 1962 provides for imposition of penalty upon any person who, by any act or omission, renders goods liable to confiscation under Section 111 of the Act. There is no requirement of the existence of *mens rea* on part of the importer to impose penalty under this section and it is consequential if the goods are held liable for confiscation. Since, I have already held the impugned goods liable for confiscation, importer is liable for penalty under Section 112 of the Customs Act, 1962. I hold that the importer has rendered himself liable to penalty under Section 112(a) of the Customs Act, 1962.

Whether Penalty under Section 114AA of Customs Act, 1962 should be imposed on the importer or not.

11.17 I have carefully considered the facts of the case, the investigation findings, the documentary evidence available on record, the statements recorded under Section 108 of the Customs Act, 1962, and the submissions made by the importer. I find that Section 114AA of the Customs Act, 1962 provides for imposition of penalty on a person who knowingly or intentionally makes, signs, uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular in any transaction relating to the Customs Act.

11.18 I find that no evidence has been brought on record in the investigation report conclusively establishing that the importer himself knowingly prepared, manipulated, fabricated or intentionally used any false document with the intention to mislead Customs authorities. The revised Commercial Invoice containing the details of the restricted goods was admittedly furnished to the importer by the overseas supplier, and the importer thereafter approached the Customs authorities seeking permission for re-export of the disputed goods. Further, I find that the aforesaid disclosures were made by the importer on his own accord and before any investigation was initiated by the DRI. I further find that the importer also caused to file and approved a check list prepared by the Customs Broker for the imported

goods, which is made as part of the records of the investigation conducted which contained all the items which are identified as the parts of the lighter in the investigation are duly declared with the correct Tariff Item i.e. 96139000, which covers the goods "*Cigarette Lighters And Other Lighters, Whether Or Not Mechanical Or Electrical, And Parts Thereof Other Than Flints And Wicks*".

11.19 I further find that in the absence of evidence demonstrating conscious knowledge and deliberate intent on the part of the importer, it not proper to invoke the provisions of Section 114AA of the Customs Act, 1962. Reliance in this regard is placed on the Hon'ble Tribunal's decision in the case of **Principal Commissioner of Customs, New Delhi Versus Salasar Impex [(2024) 15 Centax 385 (Tri.-Del)]** wherein it is held as follows:

> 32. Section 114AA reads as follows:
>
> Section 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.
>
> In this case, the only declaration made by the respondent is the Bill of Entry and the goods were found as per the declaration in the Bill of Entry. **The IGM was not filed by the appellant and if there is any error or inaccuracy in the IGM, it cannot be held against the respondent.**
>
> Therefore, the Commissioner (Appeals) was correct in setting aside the penalty under section 114AA. **[Emphasis supplied]**

11.20 Therefore, I do not find it fit to impose any penalty on the importer under Section 114AA of the Customs Act, 1962.

12. In view of the above discussion and findings, I pass the following order:

ORDER

i. I reject the value of the declared goods (SN 1 to 6 of Table-A) and determine the declared value of the goods as **USD 27,905/-** in terms of the Rule 3 and Rule 9 of the Customs Valuation (Determination of value of the Imported Goods) Rules, 2007.

ii. I determine the value of the undeclared goods (SN 7 to 15 of Table-A) as **USD 31,842/-** in terms of the Rule 3 and Rule 9 of the Customs Valuation (Determination of value of the Imported Goods) Rules, 2007.

iii. I order confiscation of both the declared and undeclared imported goods totally valued at **USD 59,747/- (approximately Rs. 54,48,926/- @ 1 USD=Rs. 91.20) (Rupees Fifty Four Lakh Forty Eight Thousand and Nine**

Hundred Twenty Six) under Section 111(m) and Section 111(d) & 111(m), respectively, of the Customs Act, 1962.

iv. However, I give an option to redeem the goods on payment of a fine of **Rs. 4,00,000 /- (Rupees Four Lakh Only)** under section 125(1) of Customs Act, 1962 in lieu of confiscation subject to the condition that the undeclared goods (SN 7 to 15 of Table-A) are allowed only for re-export.

v. The re-export of the undeclared goods (SN 7 to 15 of Table-A) shall be completed by the importer within **two months** of the date of this order.

vi. I impose a penalty of **Rs. 3,00,000/- (Rupees Three Lakh Only)** on M/s. Blue Ocean under Section 112(a) of the Customs Act, 1962.

vii. I refrain from imposing any penalty on the importer under Section 114AA of the Customs Act, 1962.

13. This Order is issued without prejudice to any other action that may be taken against the importer or persons or imported goods under the provisions of the Customs Act, 1962 or any other law for the time being in force in India.

Digitally signed by
S.Sathianarayanan
Date: 14-08-2026
19:55:11

(**S. Sathianarayanan**)
Additional Commissioner
Ahmedabad Customs

DIN : 20260871MN0000F7BDEB
F.No. GEN/ADJ/ADC/1243/2026-ADJN-O/o PR COMMR-CUS-AHMEDABAD

To

M/s. Blue Ocean,
Shed No F-2, Block No 215,
Rajshree Campus, Saniya Road,
Saniya Hemad, Surat, Gujarat -395013

Copy to:-

(i) The Principal Commissioner, Customs Ahmedabad (K/A: RRA Section).
(ii) The Deputy/Assistant Commissioner of Customs, ICD – Hazira, Surat
(iii) The Superintendent, Customs, H.Q. (Systems), Ahmedabad

(iv) The Superintendent (Task Force), Customs-Ahmedabad
(v) Guard File