प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
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सत्यमेव जयते

A	फा. सं./ FILE NO.	CUS/APR/BE/1277/2026-Gr 5-6-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN-ORIGINAL NO.	MCH/ADC/ZDC/ 181 /2026-27
C	द्वारा पारित किया गया PASSED BY	Dipak Zala Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	10-06-2026
E	जारी करने की तिथि DATE OF ISSUE	10-06-2026
F	कारण बताओ नोटिस सं. एवं तिथि SCN NUMBER & DATE	SCN and PH waiver
G	नोटिसी/पार्टी / आयातक NOTICEE/ PARTY/ IMPORTER	M/s Zabarvan N & P Private Limited, 5th FLOOR 778 SHOP NO 05, KASHMERE GATE NICHOLSON ROAD, DELHI, NORTH DELHI, DELHI-110006

1. यह अपील आदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।
   This Order - in - Original is granted to the concerned free of charge. - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 128 के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-
   Any person aggrieved by this Order - in - Original may file an appeal under Section 128 of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

   "सीमा शुल्क आयुक्त) अपील(, चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद 380009"

   "The Commissioner of Customs (Appeals), Mundra, 4 TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009."

3. उक्त अपील यह आदेश भेजने की दिनांक से तीन माह के भीतर दाखिल की जानी चाहिए।

Appeal shall be filed within three months 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 accompanied by –

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रूपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं°-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।
The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paisa only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटि/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.
7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।
While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. 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 (Appeals) 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.

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1. Brief facts of the Case:

M/s Zabarvan N & P Private Limited, 5th FLOOR 778 SHOP NO 05, KASHMERE GATE NICHOLSON ROAD, DELHI, NORTH DELHI, DELHI-110006 (hereinafter referred to as 'the said importer') has filed Bill of Entry No. 8850628 dated 23.04.2026 at APSEZ (INAJM6). The importer has filed Z Type Bill of Entry No. 8850628 dated 23.04.2026 (hereinafter referred as 'the said BE'). The Bill of Entry was identified by NCTC based risk parameters which suggested that the goods covered under Bill of Entry No. 8850628 dated 23.04.2026 filed by the importer may involve potential mis-declaration/concealment. Accordingly, the Bill of Entry was placed on hold by the SIIB/Mundra. The details of the Bill of Entry are as below:

Table-I

Sr. No.	BE No. & Date	Description of Goods	Declared CTH	Quantity
1.	8850628 dated 23.04.2026	Auto Bulb	85392940	4889 Kgs
2.		Packing Material More Than 100 Micron	39269099	5399 Kgs
3.		Belt Punching Machine	84539090	2100 Pcs
4.		Empty Makeup Box	42022990	4055 Pcs

5.		Grinding Wheel	68042210	1352 Kgs
6.		Cutting Tool Kit	82060090	10 Kgs
7.		Sponge (Raw Material)	96151900	362 Kgs

The importer has declared the total packages as 1095 in the said Bill of Entry.

2. Examination of the Goods:

The goods were examined by the Officer of SIIB, Mundra under Panchnama dated 13.05.2026 at the premises of M/s Shoolin Trade Link LLP (AEIFS9629D), Plot No. 11A, Bock No. 11B, Sector 12S, Light Eng, Adani Port & SEZ, Mundra in the presence of 02 independent panchas and Shri Pranjal Singh, Manager at M/s. Shoolin Trade Link LLP and authorised representative of the importer M/s. Zabarvan N & P Private Limited. Shri Pranjal Singh provides the weighment slip of the container, the details of which are found as below:

Table-II

Sr. No.	BE No. & Date	Container No.	Gross Weight of goods as per Bill of Lading (in Kgs.)	Gross Weight of container as per weighment slip (in Kg)
1.	8850628 dated 23.04.2026	GAOU7187234	19970 Kgs	19750 Kgs

Further, the officer from SIIB checked that the seal was intact on the container and verified the seal no. from the Bill of Lading and same was found as per BL. After verification the seal of container was cut and doors were opened. On opening of the door of container, it was observed that the container was stuffed with corrugated cartons wrapped with pp bags of multiple colours. Thereafter, the cargo was destuffed and arranged as per the type of packaging in the warehouse of the SEZ Unit by the labourers arranged by Shri Pranjal Singh. Upon counting, a total of 1075 cartons (wrapped in different coloured PP Bags) are found stuffed in the said container. Thereafter, the customs officer opened all the cartons one by one and found various types of goods.

Then the customs officer segregated the carton boxes containing different types of goods and got the weighment of certain categories carried out on random basis. The details of all the items, found during examination were as detailed in below table:

Table-III

Sr. No.	Marks & Nos.	Description of the goods	No. of Carton/PP Bags	Avg weight of carton/PP Bag	No. of Piece per carton	Total Qty in Pcs/Kgs
1	NSC 107, 89, 35	Men’s Canvas Belt type 1	64	-	360	23040
2	Maya TG	Empty Makeup Box	49	-	10	490
3	NSC 2, 3, 4	Men’s Canvas Belt type 2	16	-	300	4800
4	Angel	Small Trolley	88	-	15	1320

		Empty Makeup Box				
5	Rehaan	Belt Punching Machine	43	-	50	2150
6	NS 203	Metal Belt Buckle type 1	51	-	600	30600
7	NS 111, 708, 307	Metal Belt buckle type 2	252	-	300	75600
8	JK	Auto Bulb	400	-	2000	800000
9	HT	Plastic Packing Material	13	24.84	-	322.92
10	HT	Sponge type 1	90	34.54	-	3108.6
11	MIVA	Sponge type 2	3	50.41	-	151.23
12	Vimod	Grinding wheel	6	-	75	450
Total			1075	-	-	-

From the above it clearly appears that the importer has mis-declared the goods to evade the Customs Duty. The importer has declared 07 items as mentioned in above Table-I. However, on examination of the goods total 12 items were found and the details of the same are mentioned in Table-III above.

3. Classification of the Goods:

The importer has declared 07 items as mentioned in above Table-I in the said BE. However, on examination of the goods total 12 items were found and the details of the same are mentioned in Table-III above. As the misdeclared goods were found on examination, the correct classification of the said goods is required to be determined.

The details of re-determined CTH of all the goods is as below:

Table-IV

Sr. No.	Description of Goods	Declared CTH	Re-determined CTH
1	Men's Canvas Belt type 1	-	62171090
2	Empty Makeup Box	42022990	42022990
3	Men's Canvas Belt type 2	-	62171090
4	Small Trolley Empty Makeup Box	42022990	42022990
5	Belt Punching Machine	84539090	82034010
6	Metal Belt Buckle type 1	-	83089019
7	Metal Belt buckle type 2	-	83089019
8	Auto Bulb	85392940	85392940
9	Plastic Packing Material	39269099	39269099
10	Sponge type 1	96151900	96162000
11	Sponge type 2	96151900	96162000
12	Grinding wheel	68042210	68042210

4. **Rejection and Re-Determination of Valuation:**

4.1. The inconsistency observed in filing the Bill of Entry suggests deliberate mis-declaration. In the Bill of Entry No. 8850628 dated 23.04.2026, submitted by the importer, the quantities of the goods were declared, as detailed in Table I above, however, during examination, mis-declaration w.r.t quantity and goods were observed as listed in Table III above.

4.2. As there is mis-declaration in the Bill of Entry No. 8850628 dated 23.04.2026, in terms of quantity and classification of the goods imported thus they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Since, mis-declaration of the goods, which have relevance to value, was noticed, the declared value of the undeclared goods are liable to be determined in terms of Rule 12, explanation 1 (i), of the Customs Valuation Rules (CVR), 2007, by going sequentially from Rule 2 to 9 thereof. Determination of valuation:

a) Efforts were made to find out the correct assessable value of the imported goods found undeclared. It was observed that the imported goods were found in different variety, description, specification and quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data extracted with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value could not be determined under Rules 4 and 5 of CVR, 2007.

b) As per Rule 6 ibid, if the value cannot be determined under Rules 3, 4 and 5, the value shall be determined under the provisions of Rule 7 or when same cannot be determined under that rule then under Rule 8.

c) As the imported goods were found to be non-standard, the sale price of identical or similar goods was not available in the domestic market as the goods are miscellaneous in nature and were found in different varieties, description, specification, model, brand, make, sizes and quality, therefore, determination of transaction value under Rule 7 of CVR, 2007 was not possible.

d) As substantial data related to the cost or value of materials and fabrication or other processing employed in producing the imported goods required to compute the value under Rule 8 is also not available. Therefore, valuation of the impugned goods could not be ascertained under Rule 8 of CVR, 2007.

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

Accordingly, a Chartered Engineer was appointed for the valuation of the goods. The Chartered Engineer vide his report ref no. ABJ:INSP:CE:MUN:SIIB:SH:26-27:61 dated 25.05.2026 has suggested the valuation of the imported goods as under:

Table-V

Sr. No.	**Item**	**Total Quantity**	**Unit**	**Total Suggestive Average C.I.F. Value by C.E. - Bulk Quantity –Per Unit in USD (Approx.)**	**Total Suggestive Average C.I.F. Value by C.E. - Bulk Quantity - in USD (Approx.)**	***Total Suggestive C.I.F. Value by C.E. (in INR), $=94.2***

1	Men's Canvas Belt type 1	23040	PCS	0.22	5068.8	477481
2	Empty Makeup Box	490	PCS	1.28	627.2	59082
3	Men's Canvas Belt type 2	4800	PCS	0.3	1440	135648
4	Small Trolley Empty Makeup Box	1320	PCS	1.07	1412.4	133048
5	Belt Punching Machine	2150	PCS	0.36	774	72911
6	Metal Belt Buckle type 1	30600	PCS	0.04	1224	115301
7	Metal Belt buckle type 2	75600	PCS	0.04	3024	284861
8	Auto Bulb	800000	PCS	0.009	7200	678240
9	Plastic Packing Material	322.92	KGS	0.8	258.336	24335
10	Sponge type 1	3108.6	KGS	0.6	1865.16	175698
11	Sponge type 2	151.23	KGS	0.6	90.738	8548
12	Grinding wheel	450	PCS	3	1350	127170
Total					24334.63	22,92,323/-

4.3. As per inspection report valuation opinion of Govt. Approved Empanelled Chartered Engineer provided vide Ref: - ABJ:INSP:CE:MUN:SIIB:SH:26-27:61 dated 25.05.2026, it appears that goods imported vide Bill of Entry No. 8850628 dated 23.04.2026 filed by M/s Zabarvan N & P Private Limited, 5th FLOOR 778 SHOP NO 05, KASHMERE GATE NICHOLSON ROAD, DELHI, NORTH DELHI, DELHI-110006 appear to have been under-valued. The CE re-determined the value of the goods as Rs.

22,92,323/- instead of declared value of Rs. 10,25,747/-.

5. Thus, the valuation of the imported items needs to be rejected under Rule 12 of the CVR, 2007 and needs to be re-determined. The valuation of all the items under import is required to be re-determined under Rule 9 of the Rules, *ibid* read with Rule 47 (4) and 48 (2) of the SEZ Rules, 2006 by way of valuation report of the Chartered Engineer on the basis of market research as discussed in preceding paragraphs. As per the report submitted by the Chartered Engineer (for CIF Value), the Assessable Value of the said imported goods are liable to be re-determined to **Rs. 22,92,323/- [**24334.63 USD X Exchange Rate of Rs. 94.2 INR]**.**

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

6.1. Based on the foregoing paragraphs, it is evident that the importer has attempted to evade payment of duties and taxes by mis-declaring, mis-classifying and undervaluing the imported goods. The duty liability for the goods found during examination is ascertained as under:

Table-VI

Sr. no.	Item	Total Quantity	Total Suggestive Average C.I.F. Value by C.E. - Bulk Quantity - in USD (Approx.)/ per Pcs	Total Suggestive Average C.I.F. Value by C.E. - Bulk Quantity - in USD (Approx.)	Total Suggestive C.I.F. Value by C.E. (in INR), $=***94.2***	BCD @ 20/15/10/7.5%	SWS @ 10% of BCD	IGST @ 5/18%	Total Duty (in Rs.)
1	Men's Canvas Belt type 1	23040	0.22	5068.8	477481	95496	9550	29126	134172
2	Empty Makeup Box	490	1.28	627.2	59082	8862	886	12390	22138
3	Men's Canvas Belt type 2	4800	0.3	1440	135648	27130	2713	8275	38117
4	Small Trolley Empty Makeup Box	1320	1.07	1412.4	133048	19957	1996	27900	49853
5	Belt Punching Machine	2150	0.36	774	72911	7291	729	14568	22588
6	Metal Belt Buckle type 1	30600	0.04	1224	115301	11530	1153	23037	35720
7	Metal Belt buckle type 2	75600	0.04	3024	284861	28486	2849	56915	88250
8	Auto Bulb	800000	0.009	7200	678240	101736	10174	142227	254137
9	Plastic Packing	322.92	0.8	258.336	24335	3650	365	5103	9118

	Material								
10	Sponge type 1	3108.6	0.6	1865.16	175698	35140	3514	38583	77237
11	Sponge type 2	151.23	0.6	90.738	8548	1710	171	1877	3757
12	Grinding wheel	450	3	1350	127170	12717	1272	25409	39397
	Total			24334.634	2292323	353705	35370	385409	7,74,485/-

From the **Table VI above**, it appears that the total duty liability of the importer is Rs. 7,74,485/-.

6.2. The importer in the BE no. 8850628 dated 23.04.2026, has declared the value of the goods as Rs. 10,25,747/- and calculated the applicable duties and taxes on the goods declared, based on the declared value and classification in the Bill of Entry as Rs. 3,75,654/-.

6.3. Based on the calculations from Table VI, the importer is required to pay a differential duty liability of Rs. 3,98,831/- on the mis-declared, mis-classified and undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the mis-declaration, misclassification and non-declaration of goods.

7. LEGAL PROVISIONS:

7.1. **Section 2 (14)** of the Customs Act, 1962, *"**dutiable goods**" means any goods which are chargeable to duty and on which duty has not been paid*;

7.2. **SECTION 46**(4) of the Customs Act, 1962, *prescribes that 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, and such other documents relating to the imported goods as may be prescribed.*

7.3. **Section 111** of the of the Customs Act, 1962- **Confiscation of improperly imported goods, etc. as under**

The following goods brought from a place outside India shall be liable for confiscation:

...

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

(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under Section 77 in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to

sub-section (1) of section 54.

...

7.4. **Section 112** of the Customs Act, 1962, penal provisions for improper importation of goods, etc. which read as under**:**

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 section111,

shall be liable, -

(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 value 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.

7.5. ***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.

7.6. **SECTION 124** prescribes the mandatory issuance of show cause notice before confiscation of goods, which read as under**:**

No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person –

a. *is given a notice in writing with the prior approval of the officer of Customs not below the rank*

of an Assistant Commissioner of Customs, informing him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;

b. *is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and*

(c) is given a reasonable opportunity of being heard in the matter:
Provided *that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned be oral.*

Provided *further that notwithstanding issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.*

7.7. **SECTION 125** provides the Option to pay fine in lieu of confiscation as under:

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

Provided *that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, 3 [no such fine shall be imposed]:*

Provided *further that, without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.*

(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.]

(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.

7.8. **Relevant Provisions of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007:**

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

……..

(3) In applying this rule, if more than one transaction value of identical goods is

found, the lowest such value shall be used to determine the value of imported goods.

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

Provided that ……..

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

Rule 7. Deductive value.-

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

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

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

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

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

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

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

Rule 8. Computed value.-

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

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

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

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

Rule 9. Residual method:-

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

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

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

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

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

(iii) the price of the goods on the domestic market of the country of exportation; (iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;

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

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

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

8. OUTCOME OF THE INVESTIGATION:

8.1. As discussed in foregoing paras, it appears that the goods imported and covered under Bill of Entry No. 8850628 dated 23.04.2026 have been mis-declared by the said importer in terms of description and quantity. In fact, a lot of mis-declared goods were found during the course of examination.

8.2. The importer has declared 07 items as mentioned in above Table-I in the said BE. However, on examination of the goods total 12 items were found and the details of the same are mentioned above Table-III. As the misdeclared goods were found on the examination the CTH of the said goods needs to be determined. The re-determined CTH of the goods is as below:

Sr. No.	Description of Goods	Declared CTH	Re-determined CTH
1	Men’s Canvas Belt type 1	-	62171090
2	Empty Makeup Box	42022990	42022990
3	Men’s Canvas Belt type 2	-	62171090

4	Small Trolley Empty Makeup Box	42022990	42022990
5	Belt Punching Machine	84539090	82034010
6	Metal Belt Buckle type 1	-	83089019
7	Metal Belt buckle type 2	-	83089019
8	Auto Bulb	85392940	85392940
9	Plastic Packing Material	39269099	39269099
10	Sponge type 1	96151900	96162000
11	Sponge type 2	96151900	96162000
12	Grinding wheel	68042210	68042210

8.3. Here, it is pertinent to mention that the importer has declared assessable value of these items as **Rs. 10,25,747 /-** in the Bill of Entry No. 8850628 dated 23.04.2026 filed by them, which is otherwise re-determined to the tune of **Rs. 22,92,323/-** in terms of Rule 9 of CVR, 2007 as per the inspection conducted by the Chartered Engineer as discussed in foregoing paras. Thus, the valuation of the imported goods covered under the impugned Bill of Entry needs to be rejected under Rule 12 of the CVR, 2007 and needs to be re-determined as **Rs. 22,92,323/-** in terms of Rule 9 of CVR,2007. Accordingly, it appears that the importer has contravened Section 14 and Section 46 of the Customs Act, 1962 read with Rule 11 of the CVR, 2007 in as much as they failed to declare correct value of the goods in the Customs document filed by them.

8.4. The importer in the BE no. 8850628 dated 23.04.2026, has declared the value of the goods as Rs. 10,25,747/- and calculated the applicable duties and taxes on the good declared, based on the declared value and classification in the Bill of Entry as Rs. 3,75,654/-. Based on the calculations from Table VI, the importer is required to pay/levy a differential liability of Rs. 3,98,831/- on the mis-declared/unclassified/undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the mis-declaration, misclassification and non-declaration of goods.

8.5. The importer has, by their acts of omission and commission, rendered the goods found mis-classified/undervalued/mis-declared in quantity, with a re-determined assessable value of INR **22,92,323/-** under Bill of Entry No. Z- 8850628 dated 23.04.2026, liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962, and is therefore also liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. As the importer has mis-declared the quantity of the goods is also liable for penalty under Section 114AA of the Customs Act, 1962.

9. The importer vide email dated 27.05.2026 has submitted that they are agreed with the valuation opined by the Chartered Engineer in his report and requested to decide the matter on merit and they do not want any SCN and PH in the matter and ready to pay fine and penalty in the matter.

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

i. The declared description, quantity, Item No. and classification of the goods mentioned in the Bill of Entry No. 8850628 dated 23.04.2026 is liable to be rejected and same needs to be re-determined as per the Table-III and Table-IV.
ii. The declared value of the goods imported under Bill of Entry No. 8850628 dated 23.04.2026, i.e. **Rs. 10,25,747 /-** is liable to be rejected, under Rule 12 of the CVR,

2007 and is required to be re-determined as **Rs. 22,92,323/-** in terms of Rule 9 of CVR,2007**.**

iii. The self-assessment done by the importer is liable to be rejected and the Bill of Entry No. 8850628 dated 23.04.2026 needs to be re-assessed with the differential duty of **Rs. 3,98,831/-** under Section 17(4) of the Customs Act, 1962.

iv. The imported goods under Bill of Entry No. 8850628 dated 23.04.2026 having re-determined value of **Rs. 22,92,323/-** is liable for confiscation under Section 111(l) & Section 111(m) of the Customs Act, 1962.

v. Penalty under Section 112 (a)(ii) and 114AA of the Customs Act, 1962 is imposable upon the importer.

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WAIVER OF SHOW CAUSE NOTICE AND PERSONAL HEARING

11. The importer submitted, vide their letter dated 09.06.2026, that:

> *"with reference to the above-mentioned subject, we would like to inform you that the subject Bill of Entry filed by us which was held for further investigation purposes. The investigation has now been completed, and the file has been put up for adjudication.*
>
> *In this regard, we respectfully request your good office to kindly waive the issuance of a Show Cause Notice and Personal Hearing and decide the matter on merits. We hereby undertake to abide by the decision taken by your good office in this matter."*

DISCUSSION AND FINDINGS

12. I have carefully gone through the records of the case and Investigation Report No. 109/2026-27 dated 08.06.2026. The importer vide their letter dated 09.06.2026 has requested for waiver of Show Cause Notice and personal hearing in the matter. Thus, I find that the principles of natural justice as provided under Section 122A of the Customs Act, 1962 have been complied with and I proceed to decide the case on the basis of documentary evidence available on record. The main issues to be decided are:

(i) Whether the description, classification, quantity and unit price of certain impugned goods covered under Bill of Entry No. 8850628 (Z-type) dated 23.04.2026 need to be amended as per Table-II to VI;

(ii) Whether the declared assessable value of Rs. 10,25,747/- for the goods under Bill of Entry No. 8850628 (Z-type) dated 23.04.2026 is liable to be rejected under Rule 12 of CVR, 2007 and re-determined as Rs. 22,92,323/- as per the Chartered Engineer's valuation report in terms of Rule 9 of CVR, 2007;

(iii) Whether the Bill of Entry No. 8850628 (Z-type) dated 23.04.2026 requires re-assessment under Section 17(4) of the Customs Act, 1962 to levy the re-determined duty;

(iv) Whether the impugned goods are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962;

(v) Whether penalties under Sections 112(a)(ii) and 114AA of the Customs Act, 1962 are imposable on the importer M/s. Zabarvan N & P Private Limited.

13.1 Regarding the first issue, I find that the consignment covered under Bill of Entry No. 8850628 dated 23.04.2026 was subjected to 100% examination by SIIB officers on the

basis of specific intelligence and NCTC-based risk parameters. The examination brought out material discrepancies between the particulars declared in the said Bill of Entry and the goods actually found stuffed in container No. GAOU7187234. It is seen from Table-III that, against declaration of 7 items in Table-I, a total of 12 distinct items were found on examination packed in 1,075 cartons/PP bags as against 1,095 packages declared. The declared description "Belt Punching Machine" was found to cover punch tools of heading 82.03 nature; Men's Canvas Belts and Metal Buckles were found as complete articles/accessories which had not been declared at all in the said Bill of Entry.

13.2 I further find that the impugned Bill of Entry describes only "Auto Bulb", "Packing Material more than 100 micron", "Belt Punching Machine", "Empty Makeup Box", "Grinding Wheel", "Cutting Tool Kit" and "Sponge (Raw Material)" with corresponding quantities in Kgs/Pcs, whereas on examination, sizeable quantities of Men's Canvas Belts (type-1 and type-2) and Metal Belt Buckles (two types) were found which were not reflected anywhere in the declaration. The quantity and unit of measurement declared for the goods also do not tally with the goods actually found, inasmuch as belts, buckles and makeup boxes were found in large numbers of pieces as indicated in Table-III, while they were either not declared at all or were clubbed under broad descriptions which did not convey their true nature. Thus, I find that the declaration filed by the importer was inaccurate and incomplete in material particulars relating to description, quantity, item-wise breakup and unit of measurement.

13.3 I find that the above discrepancies are not minor or clerical in nature, but are substantial and material, having direct bearing on the assessment of duty. In terms of Section 46 of the Customs Act, 1962, the importer is required to make a true, correct and complete declaration in respect of the imported goods. In the present case, the mismatch between the declared quantity and the quantity actually found, along with the non-declaration of Men's Canvas Belts (type-1 and type-2) and Metal Belt Buckles (two types), clearly establishes that the declaration filed by the importer was not accurate and complete.

13.4 In view of the above, and having regard to the re-determined classification recorded in Table-IV, I hold that the description, classification, quantity and unit particulars of the impugned goods covered under Bill of Entry No. 8850628 dated 23.04.2026 have not been correctly declared. The same are, therefore, liable to be amended so as to reflect the actual goods and quantities found on examination, in terms of Table-III and Table-IV.

14.1 Coming to the second issue, I find that the mis-declaration in respect of description, quantity and classification of the imported goods, as brought out above, creates a reasonable and justifiable doubt regarding the truth and accuracy of the declared transaction value. The declared assessable value of Rs. 10,25,747/- can be accepted only if it represents the actual price paid or payable for the goods as imported, and if there is no valid reason to doubt its truth or accuracy. In the present case, the fact that substantial quantities of belts and metal buckles were found totally undeclared, and that several items were mis-described or mis-classified, clearly goes to the root of valuation, since quantity, nature and classification of goods are fundamental elements for determining the assessable value.

14.2 I also note that, based on the Chartered Engineer's report, the total CIF value of the impugned goods has been re-determined at USD 24,334.63, equivalent to Rs. 22,92,323/- at the exchange rate of ₹94.2 per USD, as against the declared assessable value of Rs. 10,25,747/-. The difference of Rs. 12,66,576/- between the re-determined and declared values is too large to be treated as a normal commercial variation and clearly indicates that the declared value does not represent the true value of the imported goods. The gross undervaluation, coupled with the non-declaration of major items like Men's Canvas Belts and Metal Buckles, justifies rejection of the declared value.

14.3 In terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, where the proper officer has reason to doubt the truth or accuracy of the value declared, and such doubt persists even after calling for information, the declared value is liable to be rejected and it shall be deemed that the transaction value cannot be determined under Rule 3(1). In the present case, in view of the facts discussed above, I am satisfied that there are sufficient grounds to doubt the truth and accuracy of the declared value, and therefore the declared assessable value of Rs. 10,25,747/- is liable to be rejected under Rule 12 ibid.

14.4 Once the declared value is rejected, the value is required to be determined sequentially under Rules 4 to 9 of the said Rules. The subject consignment comprises assorted, unbranded goods of different types, sizes and qualities imported in bulk. In absence of reliable contemporaneous import data of identical or similar goods of matching specifications, the value cannot be determined under Rules 4 and 5. Likewise, the requirements for adopting deductive value under Rule 7 or computed value under Rule 8 are not fulfilled, as discussed in paragraph 4.2 above, since the necessary data regarding post-import prices or cost of production is not available.

14.5 Accordingly, I find that the valuation has rightly been determined under Rule 9 of the Customs Valuation Rules, 2007, using reasonable means consistent with the general provisions of the said Rules and on the basis of data available in India. The opinion of the empanelled Chartered Engineer, vide valuation report Ref. ABJ:INSP:CE:MUN:SIIB:SH:26-27:61 dated 25.05.2026, has been properly relied upon for arriving at the re-determined CIF value of USD 24,334.63 (Rs. 22,92,323/-). I also note that the said report is based on market enquiry for bulk quantities and has apportioned realistic per-unit prices to each item, keeping in view the nature and quality of the goods.

14.6 It is further noted that the Chartered Engineer's report was shared with the importer and that the importer, vide email dated 27.05.2026, has accepted the valuation opined by the Chartered Engineer and expressed willingness to pay duty, fine and penalty without insisting on issuance of Show Cause Notice and personal hearing. This acceptance by the importer reinforces the correctness of the re-determined assessable value. Therefore, I hold that the declared assessable value of Rs. 10,25,747/- is liable to be rejected under Rule 12 of the Customs Valuation Rules, 2007 and the assessable value of the impugned goods is required to be re-determined as Rs. 22,92,323/- under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962.

15.1 As regards the third issue, I find that the importer had filed the subject Bill of Entry under self-assessment in terms of Section 17(1) of the Customs Act, 1962 and paid duty of Rs. 3,75,654/- on the basis of the declared value and classification. However, as brought out in the foregoing paragraphs, the goods were not correctly declared in terms of description, classification, quantity and value, resulting in incorrect self-assessment of duty liability.

15.2 In terms of Section 17(4) of the Customs Act, 1962, where it is found on verification, examination or otherwise that the self-assessment has not been done correctly, the proper officer may re-assess the duty leviable on such goods. In the present case, since the importer failed to make a true, correct and complete declaration and consequently paid duty on a grossly understated assessable value, the said Bill of Entry is liable to be re-assessed under Section 17(4).

15.3 Based on the re-determined assessable value of Rs. 22,92,323/-, the total duty liability works out to Rs. 7,74,485/- as detailed in Table-VI, as against the duty of Rs. 3,75,654/- already paid by the importer. Thus, there is a differential duty of Rs. 3,98,831/-

short-paid by the importer. This short-payment is a direct consequence of mis-declaration of description, quantity, classification and value of the goods.

15.4 Accordingly, I hold that the self-assessment made by the importer in respect of Bill of Entry No. 8850628 dated 23.04.2026 is incorrect and 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 recovery of differential duty of Rs. 3,98,831/- from the importer in accordance with law.

16.1 Coming to the fourth issue, I find that, in terms of Section 46 of the Customs Act, 1962, the importer is under a statutory obligation to file a Bill of Entry containing true, correct and complete particulars of the imported goods, including their description, quantity, classification and value. Further, Section 14 of the Customs Act, read with the Customs Valuation Rules, 2007, mandates that the assessable value for levy of duty shall be the transaction value of the goods, provided no circumstances exist to doubt the truth or accuracy of such value.

16.2 In the present case, as discussed earlier, the importer has declared only 7 items, whereas on examination 12 distinct items, including wholly undeclared Men's Canvas Belts and Metal Belt Buckles, were found. The quantity and unit of several items, as discussed above, also did not correspond with the declaration. In addition, the declared assessable value was found to be substantially lower than the value re-determined on the basis of Chartered Engineer's report. These facts clearly show that the goods actually found did not correspond with the declaration made in the Bill of Entry.

16.3 I find that the requirement under Section 46 of the Customs Act, 1962 is not merely procedural but substantive, and obligates the importer to ensure the accuracy and completeness of the particulars declared in the Bill of Entry. In the present case, the declaration filed by the importer was inaccurate in material respects relating to quantity, unit and value of the goods. Such discrepancies directly affect the proper assessment of duty and render the imported goods liable to confiscation under the relevant provisions of Section 111 of the Customs Act, 1962.

16.4 In terms of Section 111(m) of the Customs Act, 1962, any goods which do not correspond in respect of value or in any other particular with the entry made under the Act are liable to confiscation. The expression "in any other particular" has been judicially interpreted to cover discrepancies in description, classification, quantity and unit of measurement. In the present case, the impugned goods do not correspond with the Bill of Entry in respect of description, quantity, classification and value; therefore, I hold that they are liable to confiscation under Section 111(m) of the Customs Act, 1962.

16.5 Further, in terms of Section 111(l) of the Customs Act, 1962, any dutiable goods which are not included or are in excess of those included in the entry made under the Act are liable to confiscation. In the present case, substantial quantities of Men's Canvas Belts and Metal Belt Buckles, as well as variations in quantities of other goods, were found which were not properly declared in the Bill of Entry. Thus, the present case squarely attracts the provisions of Section 111(l) also.

16.6 Having regard to the above discussion, I hold that the impugned goods covered under Bill of Entry No. 8850628 dated 23.04.2026, having re-determined assessable value of Rs. 22,92,323/-, are liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

17.1 As regards the fifth issue, relating to imposition of penalty, I find that the facts of the case clearly establish that the importer, by mis-declaring the description, classification,

quantity and value of the imported goods and by not declaring certain goods at all, has rendered the impugned goods liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962. The discrepancies brought out in the preceding paragraphs are substantial and cannot be regarded as mere clerical errors or inadvertent omissions.

17.2 In terms of Section 112(a)(ii) of the Customs Act, 1962, any person who, by any act or omission, renders goods liable to confiscation under Section 111, or abets the doing or omission of such an act, is liable to penalty. Since in the present case the goods have been held liable to confiscation under Sections 111(l) and 111(m), the importer M/s Zabarvan N & P Private Limited squarely falls within the ambit of penal liability under Section 112(a)(ii).

17.3 I also find that the importer filed and used a Bill of Entry containing incorrect and incomplete particulars in respect of description, quantity, classification and value of the imported goods. In terms of Section 114AA of the Customs Act, 1962, any person who knowingly or intentionally makes, signs or uses any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of the Act, is liable to penalty. In the present case, the substantial discrepancy between the declared and found goods, coupled with the large difference between the declared assessable value and the re-determined assessable value, clearly establishes use of incorrect material particulars in the import transaction.

17.4 At the same time, I take note of the fact that the importer has accepted the valuation as opined by the Chartered Engineer and has requested that the matter be decided without issuance of Show Cause Notice and personal hearing, expressing readiness to pay duty, fine and penalty. Such cooperation and acceptance of liability may be treated as a mitigating factor while quantifying the amount of fine and penalty. However, it does not absolve the importer from the legal consequences of the violations established on record.

17.5 In view of the foregoing, I hold that the importer M/s Zabarvan N & P Private Limited is liable to penalty under Section 112(a)(ii) and Section 114AA of the Customs Act, 1962.

ORDER

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

(i) I order that the description, classification, quantity and unit particulars of the impugned goods covered under Bill of Entry No. 8850628 (Z-type) dated 23.04.2026 be amended in the EDI system as per the examination findings recorded in Table-III and the re-determined classification indicated in Table-IV of this order.

(ii) I order to reject the declared assessable value of Rs. 10,25,747/- (Rupees Ten Lakh Twenty Five Thousand Seven Hundred and Forty Seven only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and to re-determine the assessable value of the impugned goods as Rs. 22,92,323/- (Rupees Twenty Two Lakh Ninety Two Thousand Three Hundred and Twenty Three only) under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962.

(iii) I order to confiscate the imported goods covered under Bill of Entry No. 8850628 (Z-type) dated 23.04.2026, having re-determined assessable value of Rs. 22,92,323/- under Sections 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the said goods for home consumption under Section 125 of the Customs Act, 1962 on payment of Redemption Fine of Rs.2,30,000/- (Rupees Two Lakh Thirty Thousand Only).

(iv) I reject the self-assessment made under Section 17(1) of the Customs Act, 1962 in respect of Bill of Entry No. 8850628 (Z-type) dated 23.04.2026 and order to re-assess the same under Section 17(4) of the Customs Act, 1962. The total re-determined duty liability is Rs. 7,74,485/- (Rupees Seven Lakh Seventy Four Thousand Four Hundred and Eighty Five only), resulting in differential duty of Rs. 3,98,831/- (Rupees Three Lakh Ninety Eight Thousand Eight Hundred and Thirty One only).

(v) I impose penalty of Rs. 39,000/- (Rupees Thirty Nine Thousand Only) on the importer M/s Zabarvan N & P Private Limited under Section 112(a)(ii) of the Customs Act, 1962;

(vi) I impose penalty of Rs.10,000/- (Rupee. Ten Thousand Only) on the importer M/s. s Zabarvan N & P Private Limited under Section 114AA of the Customs Act, 1962.

19. This order is issued without prejudice to any other action that may be taken against the importer or any other person under the provisions of the Customs Act, 1962 or any other law for the time being in force in the Republic of India.

Digitally signed by
Dipakbhai Zala
Date: 10-06-2026
16:01:14

(Dipak Zala)

Additional Commissioner of Customs
Custom House, Mundra

To,
M/s Zabarvan N & P Private Limited,
5th FLOOR 778 SHOP NO 05,
KASHMERE GATE NICHOLSON ROAD,
DELHI, NORTH DELHI, DELHI-110006

Copy to:

1. The Deputy Commissioner, SIIB, Customs House, Mundra
2. The Deputy Commissioner, Review, Customs House, Mundra
3. The Deputy Commissioner, TRC, Custom House, Mundra
4. The Deputy Commissioner, EDI, Customs House, Mundra
5. The Deputy Commissioner, APSEZ, Mundra
6. Guard File