सीमा शुल्क के प्रधान आयुक्त का कार्यालय सीमा शुल्क सदन, मुंद्रा, कच्छ, गुजरात OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS CUSTOMS HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421. **Email- Group4-mundra@gov.in**	

A	**FILE NO./**फ़ाइल संख्या	CUS/APR/INV/576/2026-Gr-4
B	**OIO NO./**आदेश संख्या	MCH/ADC/ZDC/256/2026-27
C	**PASSED BY/**जारीकर्ता	Dipak Zala, ADDITIONAL COMMISSIONER, Customs House, Mundra.
D	**DATE OF ORDER/**आदेश की तारीख	#as per e-signed#
E	**DATE OF ISSUE/**जारी करने की तिथि	#as per e-signed#
F	**SCN No. & Date/**कारण बताओ नोटिस क्रमांक	Importer requested for Waiver of PH & SCN vide letter dated 18.08.2026.
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	M/s. FASHION BAGS (IEC No. 0308061799/0), Mount Kailash Cooperative Housing Society, 293, Jahangir Boman Behram Marg, Raja Bahadur, Mumbai–400008.

1. यहआदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।
   This Order - in - Original is granted to the concerned free of charge.
2. यदि कोई व्यक्ति इस आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते परअपील कर सकताहै-
   Any person aggrieved by this Order - in - Original may file an appeal under Section 128A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

"सीमाशुल्कआयुक्त (अपील (मुंद्रा),
चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,
नवरंगपुरा,अहमदाबाद 380 009"

"THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA
HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN ROAD, NAVRANGPURA, AHMEDABAD-380 009."

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

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

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

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

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

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

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

BRIEF FACTS OF THE CASE

M/s. FASHION BAGS (IEC No. 0308061799/0), having its registered address at Mount Kailash Cooperative Housing Society, 293, Jahangir Boman Behram Marg, Raja Bahadur, Mumbai–400008 (hereinafter referred to as "the Importer" for the sake of brevity), imported a consignment from M/s. ZHEJIANG UNIT INTERNATIONAL TRADING CO., LTD., Hong Kong, covered under Bill of Entry No. 2771827 dated 27.07.2026 (Z-Type), Container No. EMCU8913575, at Mundra Port. The consignment was placed on hold at M/s. OWS Warehouse Services LLP, Survey No. 169, Sector-8, Village Dhruve, Mundra, for detailed examination by SIIB, Mundra. Prior intimation was communicated to the Development Commissioner, APSEZ, Mundra.

As per the Bill of Entry, Invoice No. GZ-K017 dated 06.07.2026, Packing List and Bill of Lading No. 149604399112 dated 06.07.2026, the goods were declared as under:

Table-A

Sr. No.	Description of Goods	CTH	Quantity	Unit Price (USD)	Amount (USD)	No. of Cartons
1	WATCH	9102 99 90	773 GRS	1.0	773	129
2	LADY HANDBAGS	4202 22 90	820 DOZ	1.0	820	95
3	DECORATIVE LIGHTS (R-41228974)	9405 49 00	7 DOZ	1.0	7	82
4	WATCH ACC. METAL BELT (CHAIN)	9113 20 90	128 DOZ	0.5	64	5
5	KEYCHAIN	3926 90 99	3,250 DOZ	1.0	3250	65
6	BABY POUCH	4202 22 90	334 DOZ	0.5	167	20
7	BAG ACC. FITTINGS	8308 90 99	12,009 KGS	0.6	7205.4	548
8	GARMENT ACC. FITTINGS	8308 90 99	188 KGS	1.0	188	9
9	SALOON ACCESSORIES	8543 70 93	224 DOZ	1.0	224	112
10	EMPTY ATTAR BOTTLE	7013 37 00	312 DOZ	0.7	218.4	64
11	PU BELT	4203 40 90	5 DOZ	1.0	5	1
12	EVA SOLE AND ACCESSORIES	6406 90 90	19 DOZ	0.5	9.5	1
13	MENS SOCKS	6115 99 90	67 DOZ	0.3	20.10	1

2. Examination and Findings: -

The examination was conducted on 04.08.2026 at M/s OWS Warehouse Services LLP in the presence of Shri Pradip Sinh S. Jadeja, Authorized Representative of the importer, and Shri Phoolchand Prajapati, authorized person of the SEZ warehouse. The container was externally inspected and found structurally sound, with no signs of damage, tampering or forced entry. The seal was verified, found intact and matched the particulars in the shipping documents. The seal was thereafter cut open in the presence of the representatives and the container was opened for detailed examination.

Upon opening, the container was found stuffed with corrugated boxes and paper-poly bags of orange/yellow colour. The goods were de-stuffed and segregated item-wise. The detailed examination resulted in the following findings:

Table-B

Sr.	Description	CTH	Cartons Declared	Cartons Found	Declared Qty.	Found Qty.	Avg. Wt./CTN (Kg)	Total Wt. (Kg)	Remarks
1	Kids Watch	9102 99 90	129	129	111312 Nos	111312 Nos	34.42	4440	Found as declared
2	Lady Handbags	4202 22 90	95	95	10000 Nos	10000 Nos	33.65	3197	Found as declared
3	Decorative Lights (R-41228974)	9405 49 00	82	82	82 Nos	82 Nos	2.50	205	Found as declared
4	Watch Acc. Metal Belt (Chain)	9113 20 90	5	5	116 Kgs	116 Kgs	23.20	116	Found as declared
5	Keychain	3926 90 99	65	65	1950 Kgs	1950 Kgs	30.00	1950	Found as declared
6	Baby Pouch	4202 22 90	20	20	4000 Nos	4000 Nos	21.00	420	Found as declared
7	Bag Acc. Fittings (Lock, Belt, Sling Chain)	8308 90 99	548	514	12009 Kgs	11110 Kgs	21.61	11110	**34 cartons found short**
8	Garment Acc. Fittings	8308 90 99	9	9	188 Kgs	187 Kgs	20.78	187	**Found short by 1 Kg**
9	Saloon Accessories (Trolly)	8543 70 93	112	112	224 Doz	224 Doz	18.90	2117	Found as declared
10	Empty Attar Bottle	7013 37 00	64	64	312 Doz	4070 Nos	11.83	757	**326 Nos. in excess**
11	PU Belt	4203 40 90	1	1	5 Doz	5 Doz	13.00	13	Found as declared
12	EVA Sole and Accessories	6406 90 90	1	1	19 Doz	19 Doz	21.00	21	Found as declared
13	Mens Socks	6115 99 90	1	1	67 Doz	67 Doz	29.00	29	Found as declared
14	Belt Buckle	8308 90 19	0	34	0	743 Kgs	21.85	743	**34 cartons found in excess/undeclared**

The total weight of the goods as found during detailed physical examination comes to 25,305 kgs (approx.), whereas the net weight as per the weighment slip issued by OWS CFS SEZ Unit was 25,260 kgs. The declared net weight in the Bill of Entry is 25,120 kgs. During examination, 34 cartons/boxes of Belt Buckle were found in excess, i.e. the item was not declared in the Bill of Entry & 326 Nos. of Empty attar bottle found in excess. Other goods are found to correspond to the declared description and quantity, except small shortages observed in the case of Garment Acc. Fittings (1 kg less) and 34 cartons of Bag Acc. Fittings (Lock, Belt, Sling Chain) found to be short than that of declaration made in BE. No concealment of any other goods is observed inside the packages or within the packing material.

3. Investigation conducted: -

In view of the finding of 34 cartons of Belt Buckle, weighing 743 Kgs, which were not declared in the Bill of Entry, and the discrepancies between the declared quantities and quantities found during examination, the declared particulars require verification and the value of the imported goods requires determination. Accordingly, the opinion of the empanelled Chartered Engineer was obtained for determination of the value of the imported goods.

3.1 Rejection of Declared Value and Re-determination of Value:

Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "the CVR, 2007") provides the method of valuation. Rule 3(1) of the CVRs, 2007 provides that subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10. Rule 3(4) ibid states that if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007. Whereas, it appears that, transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Whereas, in the present case, it appears that, there is reasonable doubt regarding the truth and accuracy of the declared value as the goods have been found to be mis-declared in terms of quantity, and hence the transaction value appears to be liable to be rejected in terms of Rule 12 of the CVR, 2007. Since the items found during the examination with no specification, the valuation of the same could not be determined in terms of Rule 4 to 8 of the CV Rules, ibid. Therefore, valuation of the goods appears liable to be done under residual method of valuation provided under Rule 9 of the CV Rules ibid and accordingly, opinion of the empanelled Chartered Engineer was sought for determination of the value of the imported goods.

The Chartered Engineer, Shri Anwar Y. Kukad, vide his Report No. **AYK:VAL:02981:2026 dated 08.08.2026**, has suggested the value of the imported goods as **16060.19 USD (CIF)** as detailed in Table-C below:

Table-C

Sr.	Description	Qty.	Qty in Kgs/Pcs	Declared Unit Price (USD)	Unit	Declared Amount (USD)	CE Assessed Value/Unit (USD)	In Rs.	Total CIF (USD)
1	Kids Watch	111312 Nos	111312	1.0	GRS	773	0.03	2.92	2816.19
2	Lady Handbags	10000 Nos	10000	1.0	DOZ	820	0.17	16.52	1650.00
3	Decorative Lights (R-41228974)	82 Nos	82	1.0	DOZ	7	0.20	19.44	16.40
4	Watch Acc. Metal Belt (Chain)	116 Kgs	116	0.5	DOZ	64	0.50	48.60	58.00
5	Keychain	1950 Kgs	1950	1.0	DOZ	3250	1.67	162.0	3250.00
6	Baby Pouch	4000 Nos	4000	0.5	DOZ	167	0.05	4.86	200.00
7	Bag Acc. Fittings (Lock, Belt, Sling Chain)	11110 Kgs	11110	0.6	KGS	7205.4	0.60	58.32	6666.00
8	Garment Acc. Fittings	187 Kgs	187	1.0	KGS	188	1.00	97.20	187.00
9	Saloon Accessories (Trolly)	2117 Kgs	2117	1.0	DOZ	224	0.20	19.44	423.40
10	Empty Attar Bottle	4070 Nos	4070	0.7	DOZ	218.4	0.08	7.78	325.60
11	PU Belt	13 Kgs	13	1.0	DOZ	5	0.40	38.88	5.20
12	EVA Sole and Accessories	21 Kgs	21	0.5	DOZ	9.5	0.50	48.60	10.50
13	Mans Socks	804 Pairs	804	0.3	DOZ	20.10	0.10	9.72	80.40
14	Belt Buckle	743 Kgs	743	Not declared		371.50	0.50	48.60	371.50
									16060.19

*1 USD= 97.2 INR

3.2 On the basis of the Chartered Engineer's Certificate, the total CIF value of the goods inspected/found during examination is Rs. 15,61,051/- (approximately), as detailed below.

Table-D

Sr. No.	Description of Goods	CTH	Quantity	Total CIF Value (USD)	Total CIF Value (INR)
1	Kids Watch	9102 99 90	111312 Nos	2816.19	273734.02
2	Lady Handbags	4202 22 90	10000 Nos	1650.00	160380.00
3	Decorative Lights (R-41228974)	9405 49 00	82 Nos	16.40	1594.08
4	Watch Acc. Metal Belt (Chain)	9113 20 90	116 Kgs	58.00	5637.60
5	Keychain	3926 90 99	1950 Kgs	3250.00	315899.87
6	Baby Pouch	4202 22 90	4000 Nos	200.00	19440.00
7	Bag Acc. Fittings (Lock, Belt, Sling Chain)	8308 90 99	11110 Kgs	6666.00	647935.20
8	Garment Acc. Fittings	8308 90 99	187 Kgs	187.00	18176.40
9	Saloon Accessories (Trolly)	8543 70 93	2117 Kgs	423.40	41154.48
10	Empty Attar Bottle	7013 37 00	4070 Nos	325.60	31648.32
11	PU Belt	4203 40 90	13 Kgs	5.20	505.44
12	EVA Sole and Accessories	6406 90 90	21 Kgs	10.50	1020.60
13	Mans Socks	6115 99 90	804 Pairs	80.40	7814.88
14	Belt Buckle	8308 90 19	743 Kgs	371.50	36109.80
	Total			**16060.19**	**1561050.69**

3.3 Classification of Imported Goods

The declared particulars were found to be incorrect in respect of quantity and the presence of undeclared Belt Buckle. The Belt Buckle was found to be classifiable under CTH 8308 90 19. The other goods retained the CTHs declared in the Bill of Entry. The details are as under:

Table-E

Sr. No.	Description of Goods	CTH
1	Watch	9102 99 90
2	Lady Handbags	4202 22 90
3	Decorative Lights (R-41228974)	9405 49 00
4	Watch Acc. Metal Belt (Chain)	9113 20 90
5	Keychain	3926 90 99
6	Baby Pouch	4202 22 90
7	Bag Acc. Fittings (Lock, Belt, Sling Chain)	8308 90 99
8	Garment Acc. Fittings	8308 90 99
9	Saloon Accessories (Trolly)	8543 70 93
10	Empty Attar Bottle	7013 37 00
11	PU Belt	4203 40 90
12	EVA Sole and Accessories	6406 90 90
13	Mans Socks	6115 99 90
14	Belt Buckle	8308 90 19

3.4 The duty on the imported goods needs to be re-determined based on the revised assessable value of Rs. **15,61,051**/-, instead of the declared value of Rs. **12,58,876/**-, and the applicable customs duty rates. On this basis, the total Customs duty payable on the imported goods amounts to **Rs.5,54,164/-,** as opposed to Rs. **4,28,705**/- self-assessed by the importer in the said Bill of Entry. Consequently, there is a case of short levy of Customs duty amounting to **Rs. 1,25,459/-.** The re-determined duty has been calculated in accordance with the applicable duty rates, and the details of the recalculated duty are presented in Table-F below.

Table-F

SR. NO.	PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED	ASSESSABLE VALUE	BCD (20%)	SWS (10%)	IGST (18%)	TOTAL DUTY
1	Kids Watch (CTH-9102 99 90)	273734	**54747**	**5475**	**60112**	**120333**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (15%)**	**SWS (10%)**	**IGST (18%)**	**TOTAL DUTY**
2	Lady Handbags (CTH-4202 22 90)	160380	**24057**	**2406**	**33632**	**60094**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (20%)**	**SWS (0%)**	**IGST (18%)**	**TOTAL DUTY**
3	Decorative Lights (R-41228974) (CTH-9405 49 00)	1594	**319**	**0**	**344**	**663**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (10%)**	**SWS (10%)**	**IGST (18%)**	**TOTAL DUTY**
4	Watch Acc. Metal Belt (Chain) (CTH-9113 20 90)	5638	**564**	**56**	**1126**	**1747**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (15%)**	**SWS (10%)**	**IGST (18%)**	**TOTAL DUTY**
5	Keychain (CTH-3926 90 99)	315900	**47385**	**4739**	**66244**	**118368**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (15%)**	**SWS (10%)**	**IGST (18%)**	**TOTAL DUTY**
6	Baby Pouch (CTH-4202 22 90)	19440	**2916**	**292**	**4077**	**7284**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (10%)**	**SWS (10%)**	**IGST (18%)**	**TOTAL DUTY**
7	Bag Acc. Fittings (Lock, Belt, Sling Chain) (CTH-8308 90 99)	647935	**64794**	**6479**	**129457**	**200730**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (10%)**	**SWS (10%)**	**IGST (18%)**	**TOTAL DUTY**
8	Garment Acc. Fittings (CTH-8308 90 99)	18176	**1818**	**182**	**3632**	**5631**

SR. NO.	PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED	ASSESSABLE VALUE	BCD (7.5%)	SWS (10%)	IGST (18%)	TOTAL DUTY
9	Saloon Accessories (Trolly) (CTH-8543 70 93)	41154	**3087**	**309**	**8019**	**11414**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (20%)**	**SWS (10%)**	**IGST (18%)**	**TOTAL DUTY**
10	Empty Attar Bottle (7013 37 00)	31648	**6330**	**633**	**6950**	**13912**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (10%)**	**SWS (10%)**	**IGST (18%)**	**TOTAL DUTY**
11	PU Belt (CTH-4203 40 90)	505	**51**	**5**	**101**	**156**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (20%)**	**SWS (10%)**	**IGST (18%)**	**TOTAL DUTY**
12	EVA Sole and Accessories (CTH-6406 90 90)	1021	**204**	**20**	**224**	**449**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (20%)**	**SWS (10%)**	**IGST (5%)**	**TOTAL DUTY**
13	Mans Socks (CTH-6115 99 90)	7815	**1563**	**156**	**477**	**2196**
SR. NO.	**PARTICULAR/DESCRIPTION OF GOODS AS SUBMITTED**	**ASSESSABLE VALUE**	**BCD (10%)**	**SWS (10%)**	**IGST (18%)**	**TOTAL DUTY**
14	Belt Buckle (CTH-8308 90 19)	36110	**3611**	**361**	**7215**	**11187**

4. RELEVANT LEGAL PROVISIONS: -

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

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

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

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

Section 2(39): *"smuggling", in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113.*

Section 11A: *"illegal import" means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force.*

Section 17. Assessment of duty. –

(1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

..

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

Section 46. Entry of goods on importation:

(4) *The importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, relating to the imported goods.*

(4A) *the importer who presents a bill of entry shall ensure the following, namely:*

(a) The accuracy and completeness of the information given therein;

(b) The authenticity and validity of any document supporting it; and

(c) Compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

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

--

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

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

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

Any person,-

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

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

shall be liable,-

(i) *……..*

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

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

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

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

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

……..

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

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

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

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

5. Summary of Investigation: -

5.1 Based on specific intelligence, the consignment imported by M/s FASHION BAGS (IEC No. 0308061799) from M/s Zhejiang Unit International Trading Co. Ltd., Hong Kong, under Bill of Entry No. 2771827 dated 27.07.2026, was placed on hold at the premises of M/s OWS Warehouse Services LLP, SEZ Unit, Mundra, for detailed examination by SIIB, Mundra. Prior intimation of the hold was also issued to the Development Commissioner, APSEZ, Mundra on the same date.

5.2. The examination was conducted on 04.08.2026 at M/s OWS Warehouse Services LLP, Mundra SEZ under Panchnama proceedings dated 04.08.2026. The container was externally inspected and found structurally sound, with no signs of tampering or damage; the seal was intact and matched the shipping documents. The seal was cut open in the presence of all representatives, and detailed examination revealed Corrugated cartons and Paper poly bags containing various declared items. The physical weight of the goods was found to be 25,305 kg, compared to 25,260 kg as per the CFS weighment slip and 25,120 kg declared in the Bill of Entry. Detailed examination revealed 34 cartons of Belt Buckle, weighing 743 Kgs, which were not declared in the Bill of Entry. Other goods are found to correspond to the declared description and quantity, except small shortages observed in the case of Garment Acc. Fittings (1 kg less) and 34 cartons of Bag Acc. Fittings (Lock, Belt, Sling Chain) found to be short than that of declaration made in BE and other goods matched the declared description and quantity, except for shortages of 34 cartons of bag acc. Fittings, 1 kg short of garment acc. Fittings and 326 Nos. of Empty attar bottle found in excess. No concealment was detected in the cargo or packing material.

5.3 Based on the Chartered Engineer's findings vide **Report No. AYK:VAL:02981:2026 dated 08.08.2026,** the value of the imported goods has been assessed at 16060.19 USD (CIF value). Accordingly, the duty on the goods requires re-determination on the basis of the revised assessable value of Rs. 15,61,051/-, instead of the declared value of Rs. 12,58,876/-, along with the applicable customs duty rates. On recalculation, the total Customs duty payable amounts to Rs. 5,54,164/-, as against Rs. 4,28,705/- self-assessed by the importer, resulting in a short levy of Rs 1,25,459/-. The revised duty has been computed strictly in accordance with the applicable tariff rates.

5.4 The CE report have been duly accepted by the importer vide their letter dated 11.08.2026. Further, the importer has also conveyed, through their letter dated 11.08.2026, their willingness to accept the revised valuation and to pay all applicable duties, fines, and penalties. They have additionally requested that the matter be settled without the issuance of a Show Cause Notice or the requirement of a personal hearing.

5.5 Thus, by the act of omission and commission at the level of importer, it appears that, the importer has contravened the provisions of Section 46 and Section 17 of the Customs Act, 1962, in as much as, they failed to make correct and true declaration and information to the Customs Officer in the form of Bill of Entry and also failed to assess their duty liability correctly and accordingly the goods imported by the importer appear liable to be confiscation under Section 111(m) of the Customs Act, 1962 and the importer M/s FASHION BAGS have rendered themselves liable for penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962.

6. <u>WAIVER OF NOTICE AND PERSONAL HEARING: -</u>

The importer vide their letter dated 11.08.2026 confirmed his readiness to pay all applicable customs duties, fines, and penalties arising from these discrepancies without the need for issuance of a Show Cause Notice or the conduct of a personal hearing.

7. In view of the above facts, it appears that-

i. The assessable value of the mis-declared imported goods is liable to be re-determined instead of as declared in the Bills of Entry under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962. The details are as under: -

BE No. & date	Declared Value	Re-determined Value
2771827 dated 27.07.2026 (Z-Type)	12,58,876/-	15,61,051/-

ii. The Customs duty involved in the imported goods is liable to be re-determined instead of as declared in the Bill of Entry. The details are as under: -

Particulars	Declared in the BE	Re-determined
	Amount in Rs.	Amount in Rs.
Total Duty	4,28,705/-	5,54,164/-

iii. The said Bill of Entry No. 2771827 dated 27.07.2026 (Z-Type) is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962;

iv. The goods have been imported by way of mis-declaration in contravention of Sec 46 of the Customs Act, 1962 and are therefore liable for confiscation under Section 111(m) of the Customs Act, 1962;

v. The importer M/s FASHION BAGS is liable for Penalty under Section 112(a)(ii) of the Customs Act, 1962.

DISCUSSION AND FINDINGS

8. I have carefully gone through the records of the case, the Investigation Report dated 17.08.2026 and the applicable provision of law. The importer i.e. Fashion Bags vide letter dated 18.08.2026 accepted valuation of the goods determined by Chartered Engineer and requested for waiver of Show Cause Notice and Personal Hearing. Now, I proceed to decide the case on the basis of documentary evidence available on records, statutory provisions and judicial precedents. I find that the following issues arise for determination in this adjudication: -

(i) Whether the declared description, quantity and other particulars in Bill of Entry No. 2771827 dated 27.07.2026 are liable to be rejected or otherwise;

(ii) Whether the declared value of the goods imported under Bill of Entry No. 2771827 dated 27.07.2026, i.e. Rs. 12,58,876/- is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined as Rs. 15,61,051/- under Rule 9 of the CVR, 2007;

(iii) Whether the impugned goods are liable to confiscation under Section 111(m) of the Customs Act, 1962;

(iv) Whether the importer is liable to penalty under Sections 112(a)(ii) and 114AA of the Customs Act, 1962.

9. After having identified and framed the main issues to be decided, I now proceed to examine each of the issues individually in light of the facts, submissions, circumstances of the case, applicable provisions of law and judicial pronouncements.

10. Regarding the first issue of the case, I find that M/s. FASHION BAGS has filed Bill of Entry No. 2771827 dated 27.07.2026 (Z-Type) at Mundra Port for clearance of various goods as detailed in Table-A above. The goods were examined by the officers of SIIB, Mundra on 04.08.2026 at the premises of M/s. OWS Warehouse Services LLP, SEZ Unit, Mundra in the presence of the authorised representative of the importer and authorised person of the SEZ warehouse under the proceeding recorded in the Panchnama dated 04.08.2026.

10.1 I observed that during examination, the total weight of the goods found was 25,305 Kgs as against 25,260 Kgs as per the OWS CFS weighment slip and 25,120 Kgs declared in the Bill of Entry. Further, 34 cartons of Belt Buckle weighing 743 Kgs were found undeclared and 326 Nos. of Empty Attar Bottles were found in excess, whereas 34 cartons of Bag Acc. Fittings (Lock, Belt, Sling Chain) and 1 Kg of Garment Acc. Fittings were found short than the declared quantity. Accordingly, I hold that the declared quantity and particulars of the imported goods are liable to be rejected and the same are required to be re-determined as per the examination findings and Table-B above.

10.2 I observed that during the course of examination, 34 cartons of “Belt Buckle” weighing 743 Kgs were found, whereas the said goods were not declared in the Bill of Entry. I find that the Belt Buckles are rightly classifiable under CTH 83089019 as per Table-E. Accordingly, I hold that the undeclared goods i.e. “Belt Buckle” weighing 743 Kgs are required to be classified under CTH 83089019;

11. Regarding the second issue of the case, I find that the imported goods were found to be mis-declared in terms of quantity and inclusion of undeclared goods. Therefore, value of the goods needs to be determined. As a result, the declared CIF value of the goods in the said import cannot be considered as the value that truly or correctly represents the goods actually imported. Therefore, I find that there are sufficient reasons to believe that the declared value does not represent the actual transaction value and, consequently, is liable for rejection in terms of Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

11.1 I find that the transaction value of the goods imported under the impugned Bill of Entry cannot be determined under sub-rule (1) of Rule 3 of the rules ibid and the correct value needs to be ascertained and arrived at by proceeding sequentially in accordance with Rules 4 to 9 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

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

11.3 I find that in the instant case, value of the impugned goods could not be ascertained under Rule 4 to Rule 8 of CVR, 2007. Hence, valuation of the goods is required to be determined under residual method of valuation provided under Rule 9 of the Customs Valuation Rules ibid.

11.4 I noticed that the impugned goods were inspected by Shri Anwar Y. Kukad, Chartered Engineer, who submitted his valuation report vide Report No. AYK:VAL:02981:2026 dated 08.08.2026 and suggested the value of the imported goods as USD 16,060.19 (CIF), equivalent to **Rs. 15,61,051/-**, whereas the importer had declared the value as Rs. 12,58,876/-. The said valuation report has been accepted by the importer vide their letter dated 11.08.2026. By considering the value as determined by the Chartered

Engineer, the subject goods are required to be re-determined under Section 14 of the Customs Act, 1962 as per Table-C & Table-D above.

11.5 Therefore, I conclude that the investigation report has rightly proposed re-determination of assessable value under the provisions of Rule 9 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and the differential duty to the tune of Rs. 1,25,459/- (Rupees One Lakh Twenty-Five Thousand Four Hundred and Fifty-Nine only) is recoverable from the importer in terms of Section 14 and Section 17(4) of the Customs Act, 1962.

12. Regarding the third issue of the case in respect of confiscation, I find that the Noticee has violated Sub-Section (4) and 4(A) of Section 46 of the Customs Act as they have mis-declared and mis-classified the imported goods. I find that the Noticee was required to comply with Section 46 which mandates that the importer filing the Bill of Entry must make true and correct declarations and ensure the following:

(a) the accuracy and completeness of the information given therein;

(b) the authenticity and validity of any document supporting it; and

(c) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

12.1 I find that the Show Cause Notice propose confiscation of goods under the provision of Section 111 (m) of the Customs Act, 1962. The same is re-produced herein below:

> ***111 (m):*** *"any goods which do not correspond in respect of value or in any other particular with the entry made under this Act, shall be liable to confiscation."*

12.2 I find that during examination, 34 cartons of Belt Buckle weighing 743 Kgs were found in excess/undeclared and 326 Nos. of Empty Attar Bottle were found in excess over and above the quantity declared in the Bill of Entry. Further, 34 cartons of Bag Acc. Fittings (Lock, Belt, Sling Chain) and 1 Kg of Garment Acc. Fittings were found short of the quantity declared. Thus, the goods did not correspond with the particulars declared in the Bill of Entry in respect of quantity and other particulars. Accordingly, the impugned goods are liable for confiscation under Section 111(m) of the Customs Act, 1962, I hold so.

13. Regarding the fourth issue of penalty imposition, I find that the evidence clearly indicates that the importer had not made a complete and correct declaration in the Bill of Entry. In particular, 34 cartons of Belt Buckle weighing 743 Kgs were found undeclared and 326 Nos. of Empty Attar Bottles were found in excess. Accordingly, the acts and omissions of the importer rendered the goods liable to confiscation under Section 111(m) of the Customs Act, 1962. Consequently, the proposal for imposition of penalty under Section 112(a)(ii) of the Customs Act, 1962 is correct and sustainable in law.

13.1 Further, I find that the importer was responsible for making correct and complete declarations under the self-assessment and for ensuring the accuracy and completeness of the information furnished in the Bill of Entry. The importer had not correctly declared quantity, CTH and valuation of the goods. Since the acts and omissions of the importer rendered the goods liable to confiscation under Section 111(m) of the Customs Act, 1962, the said misdeclaration attracts the provisions of Section 112(a)(ii) of the Customs Act, 1962. Accordingly, I hold that the importer is liable to penalty under Section 112(a)(ii) of the Customs Act, 1962, and the imposition of such penalty is justified and sustainable in law.

13.2 I find that the Investigating Agency has also proposed imposition of penalty on the importer under Section 114AA of the Customs Act, 1962. I find that the importer, while filing the Bill of Entry, furnished particulars which were found to be incorrect during the course of examination, particularly in respect of the undeclared Belt Buckle and excess quantity of Empty Attar Bottle. Such incorrect declaration constitutes use of a declaration which was false or incorrect in material particulars for the purposes of the Customs Act, 1962. These acts of omission and commission on the part of the importer made the provisions of Section 114AA invokable. Therefore, I agree with the proposal of imposition of penalty on the importer u/s. 114AA *ibid*.

14. In view of the above facts of the case and findings on record, I pass the following order: -

<u>ORDER</u>

(i) I order to reject the declared description, quantity and CTH of the goods as declared in Bill of Entry No. 2771827 dated 27.07.2026 (Z-Type); and order to re-determine the same as per Table-B to Table-E hereinabove;

(ii) I reject the declared assessable value of the goods imported vide Bill of Entry No. 2771827 dated 27.07.2026, i.e. Rs. 12,58,876/- (Rupees Twelve Lakh Fifty-Eight Thousand Eight Hundred and Seventy-Six only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and order to re-determine the same as Rs. 15,61,051/- (Rupees Fifteen Lakh Sixty-One Thousand Fifty-One only) in terms of Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962;

(iii) I order to re-assess Bill of Entry No. 2771827 dated 27.07.2026 (Z-Type) on the basis of the revised valuation, quantity and CTH (as per Table-B to Table-E hereinabove. I order to recover the re-determined duty arrived on re-assessment of bill of entry along with applicable interest;

(iv) I order to confiscate the impugned goods imported vide Bill of Entry No. 2771827 dated 27.07.2026 (Z-Type), having re-determined value of Rs. 15,61,051/- (Rupees Fifteen Lakh Sixty-One Thousand Fifty-One only), under Section 111(m) of the Customs Act, 1962; However, I give an option to the importer to redeem the impugned goods for home consumption on payment of Redemption Fine of **Rs. 1,55,000/- (Rupees One Lakh Fifty-Five Thousand only)** under the provisions of Section 125 of the said Act ibid.

(v) I impose penalty of **Rs. 12,000/- (Rupees Twelve Thousand only)** on the importer i.e. M/s. FASHION BAGS (IEC No. 0308061799/0) under Section 112(a)(ii) of the Customs Act, 1962;

(vi) I impose penalty of **Rs. 10,000/- (Rupees Ten Thousand only)** on the importer i.e. M/s. FASHION BAGS (IEC No. 0308061799/0) under Section 114AA of the Customs Act, 1962.

15. This order is issued without prejudice to any other action which may be contemplated against the importer or any other person under provisions of the Customs Act, 1962 and rules/regulations framed thereunder or any other law for the time being in force in the Republic of India.

Digitally signed by
Dipakbhai Zala
Date: 21-08-2026
17:47:05

Dipak Zala,
Additional Commissioner,
Custom House, Mundra.

<u>By Speed Post/Regd. Post/E-mail/Hand Delivery</u>
CUS/APR/INV/576/2026-Gr-4

To,

M/s. FASHION BAGS,
Mount Kailash Cooperative Housing Society,
293, Jahangir Boman Behram Marg, Raja Bahadur,
Mumbai–400008.

Copy to:

1. The DC/AC, RRA/SIIB/TRC/EDI, Mundra Customs.
2. Notice Board/Guard File.