	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/390/2026-Gr-4
B	**OIO NO./**आदेश संख्या	MCH/ADC/ZDC/221/2026-27
C	**PASSED BY/**जारीकर्ता	Dipak Zala, ADDITIONAL COMMISSIONER, Customs House, Mundra.
D	**DATE OF ORDER/**आदेश की तारीख	07.2026
E	**DATE OF ISSUE/**जारी करने की तिथि	07.2026
F	**SCN No. & Date/**कारण बताओ नोटिस क्रमांक	Importer requested for Waiver of PH & SCN vide letter dated 26.05.2026.
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	M/s Dharma Recycling Pvt. Ltd. (IEC-AAKCD7870J), situated at Block No. 67, Plot No. 3/A, Ekta Industrial estate, Pipodara, Surat.

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

On the basis of NCTC Alert No. 2025-26/IMP/2765, received to this office, the goods imported by M/s Dharma Recycling Pvt. Ltd. (IEC- AAKCD7870J), having its registered office at Block No. 67, Plot No. 3/A, Ekta Industrial estate, Pipodara, Surat (hereinafter referred to as "the Importer" for sake of brevity) has imported a consignment as tabulated above (hereinafter referred to as "the impugned Goods") at Mundra Port vide Bill of Entry No. 4810973 dated 29.09.2025 identified as high risk for mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods. Also, DRI-MZU vide email dated 06.10.2025 informed to examine the cargo imported under B/E No. 4810973 dated 29.09.2025 viz. HLBU2400910 filed by M/s Dharma Recycling Pvt. Ltd. The examination of the above said consignment was carried out by the officers of SIIB on 14.10.2025 in the presence of the Shri Vyas Rishi Jagdishbhai, G-card (G/MNDR1/20232415) holder of CHA M/s. Shakti Forwarders Pvt Ltd and Shri Jayendu N Bhatt, MT Yard and Operations Manager), Ashutosh-Container services Pvt. Ltd. CFS, Mundra drawn at the premises of M/s Ashutosh-Container services Pvt. Ltd., Mundra (Kachchh). The details of the goods as declared in the said Bill of Entry are as follows:

Table-I

B/E No.& date	Bill of lading no.	Container Number/ Seal No.	CTH	Description of the goods as per Bill of Entry	Qty Declared (Kg)
4810973 dated 29.09.2025	HLCUBSC2507BUJK0	HLBU2400910/0136096	76020010	Aluminium Scrap tense as per ISRI	9,296
			72044900	Heavy Melting Scrap for melting purpose	11,621
			74040012	Copper Scrap Birch as per ISRI	2,324

2. Weighment and Examination of the goods:

The officer of SIIB section, CH Mundra, conducted the examination of the impugned goods stuffed into the container no. HLBU2400910 covered under the Bill of Entry No. 4810973 dated 29.09.2025 under Panchnama dated 14.10.2025. Before examination the weighment of the cargo was cross checked with weighment slip provided by the CFS unit. The details of the weighment of the goods are as follows:

Table-II

Sr. No.	Bill of Entry no. and Date	Container No.	B/L weight (Kg)	Cargo Weight as per CFS Unit weighment slip (Kg)
1	4810973 dated	HLBU2400910	23707	24040

	29.09.2025			

2.1. During the course of examination of the impugned goods, after complete de-stuffing, the cargo appeared to be mix scrap of various metals and e-waste. The goods were subjected to PMI testing on random basis, the report of which is found as under:

Table-III

Item No.	**Fe**	**Si**	**Cr**	**Mn**	**Ni**	**Cu**	**S**	**Co**	**Mo**	**Pb**	**Zn**	**Al**
1		0.29			0.02	8.10	2.15	0.01	0.00	0.07	**89.35**	
2		0.00				0.17			0.00		**95.98**	3.85
3	0.30	1.68		0.03		**83.27**					0.25	14.10
4	**95.48**	0.28		0.14		0.03					3.37	0.55

2.2. On examination and PMI testing it was noticed that the cargo contained mix scrap consisting of Iron (Fe), Copper (Cu), Aluminium (Al), Zinc (Zn) and e -waste, however, the scrap of Zinc (Zn) and E-waste was not decaled in Bill of Entry No. 4810973 dated 29.09.2025. Further, to ascertain the exact description and composition of the cargo, representative sample was drawn in triplicate and sent for lab test to CRCL, Kandla. The test reports received from the CRCL, Kandla in respect of the Test Memo No. 316/2025-26, 317/2025-26, 318/2025-26 and 319/2025-26 all dated 14.10.2025, in the instant case, are found as under:

Table-IV

Sr. No.	TM No./ Lab No	Description of sample per TM	Nature	Composition	Notes/ Comments
1	316/2025-26/6516-SIIB/17-10-2025	Cargo with PMI testing as Cu	The sample as received is in the form of cut piece of rusted metallic articles (appears to be used radiator) made of rusted magnetic metallic sheet, brown U type hollow tubes inserted in to metallic sheet with silvery metallic sheet	Metallic sheet (23.53% by wt.) is composed of Iron. Metallic brown tube (54.4% by wt) is composed of copper. Metallic silvery sheet (19.13% by wt) is composed of Aluminium, other metal (dust, dirt) =balance	The sample does not agree with the definition of aluminium scrap tense and copper scrap birch as per ISRI scrap 2022
2	317/2025-26/6517-SIIB/17-10-2025	Cargo with PMI testing as Fe	The sample as received is in the form of cut piece of greyish painted metallic sheets with dirty surface having	It is composed of an alloy of aluminium and iron, % Aluminium (Al)=88.31% by wt,	The sample does not agree with the definition of aluminium

			average thickness 2.98 mm	% Iron (Fe)=5.04% by wt	scrap tense and copper scrap birch as per ISRI scrap 2022
3	318/2025-26/6518-SIIB/17-10-2025	Cargo with PMI testing as Zn	the sample as received is in the form of non-magnetic, metallic articles having silvery shiny surface on upper side and dirty surface on inner side	It is composed of an alloy of aluminium and copper, % Aluminium (Al)=98.14% by wt, % Copper (Cu)=0.95 % by wt	The sample does not agree with the definition of aluminium scrap tense and copper scrap birch as per ISRI scrap 2022
4	319/2025-26/6519-SIIB/17-10-2025	Cargo appearing as e-waste	the sample as received is in the form of green plastic circuit board fitted with eighteen battery cell having printed label on it as maxwell D cell	battery is composed of aluminium, white paper and black insulating material, metallic screw is composed of brass and magnetic steel and plastic board. Total weight of the sample (as such=1359.0 gms, Total wt. of battery cell=1145 gms, plastic circuit board and metallic screw=Balance, % composition % Aluminium=23.47 % by wt, % Brass (an alloy of Cu and Zn)= 2.10 % by wt, magnetic Steel =0.72 % by wt, % paper and insulating material = 56.63 % by wt, % plastic circuit board = balance	The sample does not agree with the definition of aluminium scrap tense and copper scrap birch as per ISRI scrap 2022

3. Classification of the Goods:

3.1 In view of the above test reports, it appears that Sample merits the declared classification which is detailed as follows:

Table-V

Test Memo No /CRCL Lab Report No	CTH and description declared in Bill of Entry No. 4810973 dated 29.09.2025	Description of sample as per Test memo	Description as per Test Report from CRCL, Kandla	Appropriate CTH as per Test Reports
316/2025-26/6516-SIIB/17-10-	74040012, Copper Scrap Birch as Per ISRI	Cargo with PMI testing as Cu	Copper Scrap	74040012

2025				
317/2025-26/6517-SIIB/17-10-2025	72044900, Heavy Melting Scrap for Melting Purpose	Cargo with PMI testing as Fe	Aluminium Scrap	76020010
318/2025-26/6518-SIIB/17-10-2025		Cargo with PMI testing as Zn	Aluminium Scrap	76020010
319/2025-26/6519-SIIB/17-10-2025		Cargo appearing as e-waste	E-waste	85499900

3.2 The CRCL report was shared with the Importer vide email dated 28.01.2026. Further, vide email dated 29.01.2026 and 02.02.2026, clarification was requested from CRCL Kandla in r/o Test Memo No /CRCL Lab Report No. 317/2025-26,6517-SIIB/17-10-2025 and 318/2025-26,6518-SIIB/17-10-2025 since the PMI testing reported the sample as Iron (Fe) and Zinc (Zn) instead of Aluminium (Al). Vide email dated 05.02.2026, CRCL Kandla replied that their reports were issued based on chemical analysis and should not be compared with PMI testing.

3.3 Further, the Importer vide letter dated Nil received from Sh. Shreyansh M Shah, Advocate on behalf of the Importer, requested for re-examination of the cargo covered under Bill of Entry No. 4810973 dated 29.09.2025.

3.4 Further, vide email dated 12.03.2026 received from DRI MZU it was informed that the cargo covered under Bill of Entry No. 4810973 dated 29.09.2025 is to be re-examined by DRI officers in presence of representative of Importer.

3.5 The officer of DRI, MZU, conducted the examination of the impugned goods stuffed into domestic container no. MSKU8814441 covered under the Bill of Entry No. 4810973 dated 29.09.2025 under Panchnama dated 13.03.2026 and 14.03.2026 at M/s Shree Parvathy Shipping Open bonded warehouse, Mundra in presence of the G-card holder of CHA M/s. Shakti Forwarders Pvt Ltd and empanelled Chartered Engineer, Sh Kunal Ajay Kumar.

3.6 The outcome of Panchnama dated 14.10.2025 and 13.03.2026 & 14.03.2026 is detailed as under:

Table VI

Sr. No.	Goods as mentioned in Bill of Entry No. 4810973 dated 29.09.2025	Quantity of goods as declared in BE (in Kgs)	Description of cargo found as per Panchnama dated 14.10.2025 and 13.03.2026 &	Appropriate CTH of goods found on examination	Quantity of goods found on examination (in Kgs)	Weight of cargo as per CFS weighment slip (in Kgs)	weight of cargo found on examination (on proportionate bases

			14.03.2026				93.7566 %)
1	Aluminium Scrap tense as per ISRI	9296	Aluminium Scrap	76020010		24040	8716
2	Heavy Melting Scrap for melting purpose	11621	Iron Scrap	72044900			10895
3	Copper Scrap Birch as per ISRI	2324	Copper Scrap	74040012			2179
4	-		Zinc Scrap	79020010	1850		1850
5	-		E-waste	85499900	400		400
	TOTAL	**23241**				**24040**	**24040**

4. Valuation of the Goods:

Further, as goods found during examination in the subject Bill of Entry were mis-declared in terms of description and quantity, therefore, value of the goods need to be determined.

4.1. Rejection of declared value & Redetermination of Assessable Value:

The Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "the CVR, 2007") provides the method of valuation. The Rule 3(1) of the CVR, 2007 provides that "Subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10. The Rule 3(4) ibid states that "if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007". Whereas, it appears that, transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Whereas, it further appears that, there is a reasonable doubt regarding the truth and accuracy of the value declared by the importer, and hence it appears liable to be rejected in terms of Rule 12 of the CVR, 2007.

4.2. Whereas, it appears that, if actual transaction value which means price paid or payable cannot be ascertained on the basis of Rule 3 of the CVR, 2007, the value shall be decided proceeding to subsequent rules. Thus, recourse is to be taken to the Rule 9 of the CVR, 2007 which provides for determination of value

where the value of the imported goods cannot be determined under the provisions of the any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India.

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

4.4. Whereas, it appears that, the provisions of Rule 4 to 8 ibid, are not applicable in the instant case, the value of the impugned goods is required to be determined under the provisions of Rule 9 of the CVR 2007, which reads as under: -

> *"Rule 9: Residual method – (1) Subject to the provisions of Rule 3, where the value of the imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India:"*

4.5. Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Kunal A. Kumar, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. DRI/650/26-27 dated 06.05.2026 wherein, he has reported the value of the cargo as tabulated below:

Table-VII

Sr. No.	Description of cargo found as per Panchnama dated 14.10.2025 and 13.03.2026 & 14.03.2026	weight of cargo found on examination (on proportionate bases 93.7566 %)	Value per Kg (USD) as per BE No. 4810973 dated 29.09.2025	Value per Kg (INR) as per CE report and BE No. 4810973 dated 29.09.2025 (USD*88.85 INR) including 1.125 % insurance	Assessable Value as per CE report in INR	**Duty declared by the importer in BE No.4810973 dated 29.09.2025**				**Duty payable as per assessable value ascertained by CE**				**Differential Duty recoverable**
						BCD	**SWS**	**IGST**	**TOTAL**	**BCD**	**SWS**	**IGST**	**TOTAL**	**TOTAL**
1	Aluminium Scrap	8716	2.10	188.7	1644499.7	43850.2	4385	324403.6	372638.8	41112	4111	304150	349374	
2	Iron Scrap	10895	0.41	36.8	401370.77			77057.7	77057.7			72247	72247	
3	Copper Scrap	2179	8.5	763.7	1664077.1			319479.9	319479.9			299534	299534	
4	Zinc Scrap	1850		250	462500				0			83250	83250	
5	E-waste	400		450	180000				0	NA			0	
	Total	24040			4352447.5				769176.4				804405	35228

4.6. Whereas, it appears that, the assessable value of Rs. 39,56,994/- declared by the importer in the Bill of Entry No. 4810973 dated 29.09.2025 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 43,52,448/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

5. Importability and Policy Compliance:

All the goods found during the examination are freely importable after paying of applicable Customs Duty except the goods mentioned at Sr. No. 5 of Table-VI. The goods mentioned at Sr. No. 5 of Table-VI are restricted as per Import Policy

amended vide Notification No. 13 /2024-25 dated 20.05.2024, which is detailed as under:

(1) Para 2.31(I (b) of the Foreign Trade Policy, 2023 is amended to read as follows:

S. No.	*Categories of second-hand goods*	*Import Policy*	*Conditions, if any*
1(b)	*All electronics and IT Goods notified under the Electronics and IT Goods (Requirements of Compulsory Registration) Order, 2021 as amended from time to time.*	*Restricted*	*(i) Importable against a restricted import authorization, subject to conditions laid down under Electronics and IT Goods (Requirements of Compulsory Registration) Order, 2021 (as amended from time to time). (ii) Import of unregistered/non-compliant notified products as in Electronics and IT Goods (Requirements of Compulsory Registration) Order, 2021 (as amended from time to time) is "Prohibited"*

2) Para 2 (C) of the General Notes Regarding Import Policy of ITC (HS), Schedule-I Import Policy is amended to read as follows: 2022

(C) Import policy for electronics and IT Goods: "The import of Goods (new as well as second hand, whether or not refurbished, repaired or reconditioned) notified under the "Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2021, as amended from time to time, is prohibited unless they are registered with the Bureau of Indian Standards (BIS) and comply to the 'Labelling Requirements' published by BIS, as amended from time to time', or on specific exemption letter from Ministry Electronics and Information Technology (MeitY) for a particular consignment, as per provisions of Gazette Notification SO No. 1929 dated 26.04.2023. The importer shall reexport such prohibited Goods reaching Customs Ports else the Customs Authorities shall deform the goods beyond use and dispose of the goods as scrap under intimation to Ministry of Electronics and Information Technology (MeitY)."

(3) Policy condition no. 2 of chapter 84, Policy condition no. 5 of chapter 85 of Import Policy (schedule 1) ITC HS 2022 is amended to read as follows:

"Import policy for electronics and IT Goods: The import of Goods (new as well as second hand, whether or not refurbished, repaired or reconditioned) notified under the Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2021, as amended from time to time, is prohibited unless they are registered with the Bureau of Indian Standards (BIS) and comply to the Labelling Requirements published by BIS, as amended from time to time, or on specific exemption letter from Ministry of Electronics and Information Technology (MeitY) for a particular consignment, as per provisions of Gazette Notification SO No. 1929 dated 26.04.2023. The importer shall reexport such prohibited Goods reaching Customs Ports else the Customs Authorities shall deform the goods beyond

use and dispose of the goods as scrap under intimation to Ministry of Electronics and Information Technology (MeitY).

Accordingly, import of the goods mentioned at Sr. No. 5 of Table-VI in the instant case appears to be in violation of Import Policy (schedule 1) ITC HS 2022 amended vide Notification No. 13 /2024-25 dated 20.05.2024. Thus, it appears that the goods mentioned at Sr. No. 5 of Table-VI imported are in violation and contrary to condition imposed vide Notification No. 13 /2024-25 dated 20.05.2024, rendering the said goods as 'prohibited' for import into India.

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

On the basis of re-determined value of the goods in above Table-VII, duty leviable on goods imported vide B/E No. 4810973 dated 29.09.2025 is being re-calculated for the goods which will be released for Home Consumption.

The total re-determined value of the goods comes to Rs. 43,52,448/- and the total re-determined Duty for the said releasable goods comes to Rs. 8,04,405/- instead of the declared duty for the same i.e. Rs. 7,69,176/-. The differential duty of said releasable goods comes to **Rs. 35,228/-.**

7. Outcome of the Investigation:

The investigation conducted by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra, based on the special intelligence, revealed significant irregularities in the import consignment of M/s. Dharma Recycling Pvt. Ltd. (IEC- AAKCD7870J), having its registered office at Block No. 67, Plot No. 3/A, Ekta Industrial estate, Pipodara, Surat, under Bill of Entry No. 4810973 dated 29.09.2025. The examination was conducted on 14.10.2025 and 13.03.2026 & 14.03.2026, which uncovered deliberate mis-declaration and non-compliance with regulatory requirements, indicating an intent to evade Customs duties and violate import regulations. The outcomes of the investigation are as follows:

7.1. Examination of the Goods:

The officer of SIIB section, CH Mundra and DRI MZU, conducted the examination of the impugned goods stuffed into the container no. HLBU2400910 covered under the -Bill of Entry No. 4810973 dated 29.09.2025 under Panchnama dated 14.10.2025 and 13.03.2026 & 14.03.2026. During the course of examination of the impugned goods, it was noticed that the imported goods did not correspond with the declaration made in the Bill of Entry in respect of quantity, description and classification. The declared quantities of Aluminium Scrap, Heavy Melting Scrap and Copper Scrap were not actually imported to the extent declared, and

instead, the consignment contained also Zinc Scrap and E-waste which were not declared in Bill of Entry No. 4810973 dated 29.09.2025.

7.2. Valuation of the Goods:

Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Kunal A. Kumar, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. DRI/650/26-27 dated 06.05.2026. It appears that, the assessable value of Rs. 39,56,994/- declared by the importer in the Bill of Entry No. 4810973 dated 29.09.2025 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 43,52,448/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

7.3. Re-determination of Duty:

The total re-determined value of the goods releasable for Home Consumption comes to Rs. 41,72,448/- and the total re-determined Duty for the said releasable goods comes to Rs. 8,04,405/- instead of the declared duty for the same i.e. Rs. 7,69,176/-. The differential duty of said releasable goods comes to Rs. 35,228/-.

7.4. Importability and Policy Compliance:

All the goods found during the examination are freely importable after paying of applicable Customs Duty except the goods mentioned at Sr. No. 5 of Table-VI. The goods mentioned at Sr. No. 5 of Table-VI are restricted as per Import Policy amended vide Notification No. 13 /2024-25 dated 20.05.2024 rendering the said goods as 'prohibited' for import into India.

7.5. Confiscation of Goods and Penal Action:

In view of the above, it is evident that the importer, M/s. Dharma Recycling Pvt. Ltd. (IEC- AAKCD7870J), has imported the goods covered under Bill of Entry No. 4810973 dated 29.09.2025 by way of mis-declaration in quantity, description and classification. Therefore, the goods mentioned at Sr. No. 1 to 4 of Table VI, having assessable value of Rs. 41,72,448/- are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962 and goods mentioned at Sr. No. 5 of Table VI found during the examination having assessable value of Rs. 1,80,000/- are liable for confiscation under Section 111(d), 111(l) and 111(m) of

the Customs Act, 1962. The importer's actions indicate an intent to evade customs duty, violating Section 46(4) of the Customs Act, 1962 (false declaration in Bill of Entry). Consequently, for the goods mentioned at Sr. No.1 to Sr. No. 4 of Table VI, having assessable value of Rs. 41,72,448/-, the importer is liable for penalties under Sections 112(a)(ii) and for the goods mentioned at Sr. No. 5 of Table VI, having assessable value of Rs. 1,80,000, the importer is liable for penalties under Sections 112(a)(i) and importer is further liable for penalty under Section 114AA of the Customs Act, 1962, for knowingly submitting false documents and attempting to evade duties.

8. LEGAL PROVISIONS:

8.1. 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*;

> **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.*

8.2. SECTION 46 of the Act, 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.

8.3. Further, **Section 111** of the Act, prescribes the Confiscation of improperly imported goods, etc. as under

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

(d) *any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*

(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.*

8.4. Further, Section 112 and 114 of the Act provides the 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

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;]*

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.

8.5. 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.*

8.6. 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.

8.7. 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.

Rule7.Deductive value:-

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

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

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

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

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

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

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

Rule 8. Computed value.-

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

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

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

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

Rule 9. Residual method:-

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

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

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

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

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

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

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

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

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

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

i. The declared description, quantity and classification of the goods imported vide Bill of Entry No. 4810973 dated 29.09.2025, filed by the Importer M/s Dharma Recycling Pvt. Ltd., are liable to be rejected due to mis-declaration and mis-classification, as detailed above and the same needs to be re-determined as per Tables VI and VII.

ii. The total declared assessable value of Rs. 39,56,994/- for the goods under Bill of Entry No. 4810973 dated 29.09.2025 is liable to be rejected and re-determined as Rs. 43,52,448/-, as per the Chartered Engineer's valuation report dated 06.05.2026, under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, read with Section 14 of the Customs Act, 1962.

iii. The self-assessment done by the importer is liable to be rejected and the BE needs to be re-assessed with differential duty of Rs. 35,228/- under Section 17(4) of the Customs Act, 1962.

iv. The goods imported vide Bill of Entry no. 4810973 dated 29.09.2025 and mentioned at Sr. No. 1 to Sr. No. 4 of Table VI having re-determined value of Rs. 41,72,448/- are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962 and the goods mentioned at Sr. No. 5 of Table VI having re-determined value of Rs. 1,80,000/- are liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962, as discussed in para 7.5.

v. The importer, M/s. Dharma Recycling Pvt. Ltd. is liable for penalty under Section 112(a)(ii), and 114AA of the Customs Act, 1962 for goods mentioned at Sr. No. 1 to Sr. No. 4 of Table VI and under Section 112(a)(i), and 114AA of the Customs Act, 1962 for goods mentioned at Sr. No. 5 of Table VI as discussed in para 7.5.

10. WAIVER OF SHOW CAUSE NOTICE AND PERSONAL HEARING: -

The importer vide letter dated 26.05.2026 has submitted that they agree 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 & further requested for permission to release of the goods at the earliest as they are facing huge detention and demurrage.

DISCUSSION AND FINDINGS

11. I have carefully gone through the records of the case, investigation report dated 21.05.2026 and the applicable provisions of law. The importer i.e M/s. Dharma Recycling Pvt. Ltd. vide letter dated 26.05.2026 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 classification of the items mentioned in the Bill of Entry No. 4810973 dated 29.09.2025 is liable for rejection or otherwise;

(ii) Whether the declared value of the goods imported under Bill of Entry No. 4810973 dated 29.09.2025, i.e. **Rs. 39,56,994/-** is liable for rejection under Rule 12 of the CVR, 2007 and required to be re-determined as **Rs. 43,52,448/-** in terms of Rule 9 of CVR, 2007**.**

(iii) Whether the impugned goods are liable for confiscation under Section 111(d), 111 (l) and 111(m) of the Customs Act, 1962 as applicable or otherwise;

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

12. After having identified and framed the main issues to be decided, I now proceed to deal with each of the issues individually for analysis in light of facts, submissions, circumstances of the case, provisions of the Customs Act, 1962 and nuances of various judicial pronouncements.

13. Regarding the first issue of the case, I find that M/s. Dharma Recycling Pvt. Ltd. has filed Bill of Entry no. 4810973 dated 29.09.2025 for clearance of "Mix scrap i.e. Copper, Aluminium and HMS" as detailed in Table-I above. On the basis of NCTC alert and information received from DRI-MZU, examination of the subject consignment was carried out by the officers of SIIB on 14.10.2025 in the presence of Custom Broker and subsequent re-examination conducted by DRI officers on 13.03.2026 and 14.03.2026.

13.1 I noticed that during the course of examination of the impugned goods, the imported goods did not correspond with the declaration made in the Bill of Entry in respect of quantity, description and classification. The declared quantities of Aluminium Scrap, Heavy Melting Scrap and Copper Scrap were not actually imported to the extent declared, and instead, the consignment contained also Zinc Scrap and E-waste which were not declared in Bill of Entry No. 4810973 dated 29.09.2025. I find that goods identified as Scrap of Zinc (Zn) is classifiable under CTH 79020090 and E-waste is classifiable under CTH 85499900 which were not declared in Bill of Entry No. 4810973 dated 29.09.2025. The outcome of Panchnama dated 14.10.2025, 13.03.2026 & 14.03.2026 are as under: -

Table VI

Sr. No.	Goods as mentioned in Bill of Entry No. 4810973 dated 29.09.2025	Quantity of goods as declared in BE (in Kgs)	Description of cargo found as per Panchnama dated 14.10.2025 and 13.03.2026 & 14.03.2026	Appropriate CTH of goods found on examination	Quantity of goods found on examination (in Kgs)	Weight of cargo as per CFS weighment slip (in Kgs)	weight of cargo found on examination (on proportionate bases 93.7566 %)
1	Aluminium Scrap tense as per ISRI	9296	Aluminium Scrap	76020010		24040	8716

2	Heavy Melting Scrap for melting purpose	11621	Iron Scrap	72044900			10895
3	Copper Scrap Birch as per ISRI	2324	Copper Scrap	74040012			2179
4	-		Zinc Scrap	79020010	1850		1850
5	-		E-waste	85499900	400		400

13.2 Further, I find from the examination report and the CRCL Test Report that the imported consignment does not conform to the declaration made in the Bill of Entry. The examination has revealed mis-declaration in respect of the description, quantity and classification of the imported goods, besides the presence of undeclared goods also in the consignment. Accordingly, I reject the declared quantity, description and Customs Tariff Heading (CTH) of the imported goods and hold that the correct quantity, description and classification are required to be re-determined on the basis of the findings of the examination report and the CRCL Test Report, as detailed in **Table-VI** above.

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

14.1 I find that the transaction value of the items, sought to be imported under the impugned bill of entry, cannot be determined under the provisions of 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.

14.2 I find that the value of the impugned goods could not be determined under Rule 4 and 5 ibid since the goods have been un-declared/mis-declared by means of description, the value of contemporaneous imports of identical and similar goods of same quality and composition was not found. Proceeding sequentially, it is stipulated under Rule 6 ibid that where the value is not determinable under Rule 3, 4 and 5, the value is to be determined under Rule 7 or when the value cannot be determined under that Rule, under Rule 8. Whereas, Rule 7 provides for 'Deductive Value' i.e. the value is to be determined on the

basis of valuation of identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions stipulated under the rule. Whereas, for the reasons detailed above, the values also cannot be determined as per the said Rule 7 ibid. Likewise, for application of Rule 8 of the CVR, 2007, the cost of production or processing involved in the imported goods are not available. In the absence of requisite data, the value cannot be determined by taking recourse to these rules either.

14.3 I find that, the provisions of Rule 4 to 8 ibid, are not applicable in the instant case, the value of the impugned goods is required to be determined under the provisions of Rule 9 of the CVR 2007, which reads as under:

"Rule 9: Residual method –

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

14.4 I noticed value of the goods are required to be re-determined under Rule 9 ibid i.e. as per residual method. Accordingly, the impugned goods were inspected by Shri Kunal A. Kumar, Chartered Engineer & Government approved valuer, who submitted his valuation report vide reference no. DRI/650/26-27 dated 06.05.2026, has suggested the valuation of the impugned goods as **Rs. 43,52,448/- (Rupees Forty-Three Lakh Fifty-Two Thousand Four Hundred and Forty-Eight only)** whereas importer declared as Rs. 39,56,994/-. By considering the value as determined by Chartered Engineer, assessable value of the subject goods is required to be re-determined under Section 14 of the Customs Act, 1962.

14.5 I further find that based on the re-determination of the value and calculation workout in Table-VII, the total customs duty leviable as **Rs. 8,04,405/-** whereas importer declared the customs duty as **Rs. 7,69,176/-**. Consequently, a differential duty of **Rs. 35,228/-** (Rupees Thirty-Five Thousand Two Hundred and Twenty-Eight only) becomes payable by the importer. Accordingly, in terms of Section 17(4) of the Customs Act, 1962, I hold that the self-assessment made by the importer is liable to be re-assessed, and I order re-assessment of Bill of Entry No. 4810973 dated 29.09.2025. I further hold that the differential customs duty of Rs. 35,228/- is recoverable from the importer in accordance with the Section 14 and Section 17(4) of the Customs Act, 1962.

15. 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.

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

*111(d): **"**any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*

111(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";

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."

15.2. I find that the importer has imported the goods covered under Bill of Entry No. 4810973 dated 29.09.2025 by way of mis-declaration in quantity, description and classification. In this instant case, importer failed to furnish the correct information such as item description, quantity and valuation hence, contravened the provisions of Section 46 of the Customs Act, 1962. I observed that the goods mentioned at Sr. No. 1 to 4 of Table VI, having assessable value of Rs. 41,72,448/- are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962 and goods mentioned at Sr. No. 5 of Table VI i.e. e-waste, in violation of condition imposed vide Notification No. 13 /2024-25 dated 20.05.2024, rendering the said goods as 'prohibited' for import into India, having assessable value of Rs. 1,80,000/- are liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962.

16.1 Regarding the fourth issue of penalty imposition, I find that the evidence clearly indicates that the un-declared goods mentioned at Sr. No. 5 of Table-VI i.e. "E-Waste" were prohibited due to violation of condition imposed vide Notification No. 13 /2024-25 dated 20.05.2024. Accordingly, the said goods are liable for confiscation under Section 111(d), 111(l) and 111(m) of The Customs Act, 1962 Consequently, the proposal for imposition of penalty under Section 112(a)(i) is correct and sustainable in law.

16.2 Further the goods mentioned at Sr. No. 1 to 4, I find that it is clear from the provision that penalty under Section 112(a)(ii) can be imposed in cases where the acts or omissions of the importer/noticee renders the goods liable for confiscation under Section 111 of the Act. From the discussions so far, I find that the evidences clearly indicating mis-declaration in terms of description, quantity and mis-classification on their part in respect of the imported goods warranting imposition of penalty under Section 112 (a) (ii) as the fact of mis-declaration, mis-classification and under-valuation was known to the assessee and not the department on the grounds of self-assessment. Therefore, penalty imposition on importer under Section 112(a)(ii) of the Customs Act, 1962 is correct and sustainable in law.

16.3 I find that the Investigating Agency proposed imposition of penalty on the Importer u/s. 114AA of the Customs Act, 1962. I find that despite being well aware of the nature of the imported goods, importer, consciously mis-declared the description, quantity and CTH of the goods which found to be incorrect during the course of investigation. 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*.

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

ORDER

(i) I order to reject declared description and quantity of the goods as mentioned in Table-I above; under Bill of Entry No. 4810973 dated 29.09.2025 and order to redetermine the same as per Table-VI & VII;

(ii) I reject the declared assessable value of the goods Rs. 39,56,997/- in Bill of entry no. i.e. 4810973 dated 29.09.2025 under Rule 12 of CVR, 2007 and order to re-determine the same as **Rs. 43,52,448/- (Rupees Forty-Three Lakh Fifty-Two Thousand Four Hundred and Forty-Eight only)** in terms of Rule 9 of the CVR, 2007 read with section 14 of Customs Act, 1962.

(iii) I order to re-assess the Bill of entry no. 4810973 dated 29.09.2025 on the basis of revised valuation and quantity (as per Table No.-VII 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 i.e. Sr. No. 1 to Sr. No. 4 having re-determined value of **41,72,448/- (Rupees Forty-One Lakh Seventy-Two Thousand Four Hundred and Forty-Eight only**) under Section 111(l) & 111(m) of the Customs Act 1962; However, I give an option to the importer to redeem the goods on payment of Redemption Fine of **Rs. 4,20,000/- (Rupees Four Lakh Twenty Thousand only)** under the provisions of section 125 of the said Act ibid.

(v) I order to absolute confiscation of E-waste weighing 400 Kgs having re-determined value of **Rs.1,80,000/-** under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962.

(vi) I impose penalty of **Rs.25,000 /- (Rupees Twenty-Five Thousand only)** on the importer i.e. M/s Dharma Recycling Pvt. Ltd. under Section 112 (a)(i) of the Customs Act, 1962.

(vii) I impose penalty of **Rs. 5,000/- (Rupees Five Thousand only)** on the importer i.e. M/s Dharma Recycling Pvt. Ltd. under Section 112 (a)(ii) of the Customs Act, 1962.

(viii) I impose penalty of **Rs.50,000 /- (Rupees Fifty Thousand only)** on the importer i.e. M/s Dharma Recycling Pvt. Ltd. under Section 114AA of the Customs Act, 1962.

18. 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: 24-07-2026 13:54:17

Dipak Zala,
Additional Commissioner,
Custom House, Mundra.

By Speed Post/Regd. Post/E-mail/Hand Delivery

CUS/APR/INV/390/2026-Gr-4

To,

M/s Dharma Recycling Pvt. Ltd.,
Block No. 67, Plot No. 3/A,
Ekta Industrial estate, Pipodara, Surat- 394110.

Copy to:

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