कार्यालय: प्रधान आयुक्त, सीमाशुल्क, मुन्द्रा,
सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:
CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421.
PHONE: 02838-271426/271163 FAX :02838-271425
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Sr. No.	Particulars / विवरण	Details / विवरण
A	FILE NO. / फ़ाइल संख्या	CUS/APR/INV/741/2026-Gr 4
B	OIO NO. / आदेश संख्या	**MCH/ZDC/ADC/460/2026-27**
C	PASSED BY / जारीकर्ता	Deepak Zala, Additional Commissioner of Customs / दीपक जाला, अपर आयुक्त सीमा शुल्क, Custom House, Mundra
D	DATE OF ORDER / आदेश की तारीख	04-11-2026
E	DATE OF ISSUE / जारी करने की तिथि	04-11-2026
F	SCN No. & Date / कारण बताओ नोटिस क्रमांक	Waiver of Show Cause Notice requested by letter dated 23.10.2026 (subject to Section 124 of the Customs Act, 1962)
G	NOTICEE / PARTY / IMPORTER / नोटिसकर्ता / पार्टी / आयातक	M/S. LAKSHMI ENTERPRISES (IEC DUOPA7636F), SITUATED AT 10/72-B, PLOT NO. 74, GROUND FLOOR, SHANKER GALI, VISHWASNAGAR, SHAHDARA, DELHI

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 धारा128 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 128 of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

**"सीमाशुल्कआयुक्त) अपील(,
चौथी मंज़िल, हुडको बिल्डिंग, ईश्वरभुवन रोड,
नवरंगपुरा,अहमदाबाद 380 009"
"THE COMMISSIONER OF CUSTOMS (APPEALS)
HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN**

ROAD,
NAVRANGPURA, AHMEDABAD-380 009."

3. उक्तअपील यहआदेश भेजने की दिनांक से 60दिन 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 ₹ 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-1870के 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 ₹ 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, 1982और सीमाशुल्क अधिनियम, 1962के 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. Lakshmi Enterprises (IEC DUOPA7636F), situated at 10/72-B, Plot No. 74, Ground Floor, Shanker Gali, Vishwasnagar, Shahdara, Delhi (hereinafter referred to as the "importer"), filed Z-Type Bill of Entry No. 4116727 dated 30.09.2026 for clearance of various goods imported from China, supplied by M/s CHENGQIN INT'L TRADE HOLDING CO., LIMITED, Hong Kong, under Invoice No. CK/2026/0537 dated 25.08.2026 and Bill of Lading No. KMTCNBO9832485 dated 03.09.2026. The consignment in Container No. KMTU9305204 was received at M/s OWS Warehouse Services LLP, APSEZ, Mundra. The importer declared various goods namely Rear Axle and T-Handle, Wiper Blade, Brake Shoe for Auto Parts, Hand Tools, Towels, Bedsheet,

Blanket, Secateurs and Pruning Shear for Agriculture Use, having a total declared assessable value of ₹13,64,383.41/- and total declared Customs duty of ₹4,54,030/-, as detailed in Table-1 below.

TABLE–1: GOODS DECLARED IN BILL OF ENTRY

Sr. No.	Description	Declared CTH	Declared quantity
1	Rear Axle for Auto Parts	87089900	100 PCS
2	T-Handle for Auto Parts	87089900	3,000 PCS
3	Wiper Blade for Auto Parts	85124000	1,088 DOZ
4	Brake Shoe for Auto Parts	87141090	6,000 SET
5	Hand Tools	84678990	480 SET
6	Towels	63049250	485 DOZ
7	Bedsheet	63041940	350 SET
8	Blanket	63019090	675 PCS
9	Secateurs for Agriculture Use	82015000	300 DOZ
10	Pruning Shear for Agriculture Use	82015000	334 DOZ
11	Re-export Chain	73151100	9,325 KGS

2. ACTION TAKEN — EXAMINATION FINDINGS

2.1 Based on specific intelligence, the consignment was placed on hold and examined by SIIB on 07.10.2026 at M/s OWS Warehouse Services LLP in the presence of Panch witnesses, the warehouse representative and the authorised representative of the importer. During the examination following discrepancies were found:

TABLE-2

Sr. No.	Description of Goods Declared in BE	Declared CTH	Re-determined CTH	Declared Quantity	Quantity Found	Difference in Quantity
1	Rear Axle for Auto Parts	87089900	87085000	100 PCS	100 PCS	Nil
2	T-Handle for Auto Parts	87089900	87089900	3,000 PCS	3,000 PCS	Nil
3	Wiper Blade for Auto Parts	85124000	85124000	1,088 DOZ (13,056 PCS)	13,000 PCS	Short 56 PCS
4	Brake Shoe for Auto Parts	87141090	87141090	6,000 SET	4,000 SET	Short 2,000 SET
5	Hand Tools	84678990	82042000	480 SET	480 SET	Nil
6	Towels	63049250	63049250	485 DOZ (5,820 PCS)	5,820 PCS	Nil
7	Bedsheet	63041940	63041940	350 SET	350 SET	Nil

8	Blanket	63019090	63019090	675 PCS	675 PCS	Nil
9	Secateurs for Agriculture Use	82015000	82015000	300 DOZ (3,600 PCS)	3,600 PCS	Nil
10	Pruning Shear for Agriculture Use	82015000	82015000	334 DOZ (4,008 PCS)	4,000 PCS	Short 8 PCS
11	Re-export Chain (Not Clear Under DTA)	73151100	73151100	9,325 KGS	9,351 KGS	Excess 26 KGS

The examination revealed material variations in quantity and/or tariff description. In particular, Brake Shoes were found as 4,000 sets against 6,000 sets declared; Wiper Blades were found as 13,000 pieces against the declared 1,088 dozen (13,056 pieces); Pruning Shears were found as 4,000 pieces against 334 dozen (4,008 pieces); and Chain was found weighing 9,351 Kgs against 9,325 Kgs declared. Towels and Secateurs, though declared in dozens, corresponded to 5,820 pieces and 3,600 pieces respectively. The declared quantity of Rear Axle, T-Handle, Hand Tools, Bedsheet and Blanket broadly corresponded with the physical count. The declared gross weight was 26,800 Kgs; the weighment slip indicated gross cargo weight of 27,870 Kgs. Package-wise estimated weight was 24,950.4 Kgs excluding rear axles, which could not be weighed due to their heavy weight.

3. RE-DETERMINED DESCRIPTION, CLASSIFICATION AND QUANTITY

3.1 The goods declared as "Rear Axle for Auto Parts" under CTH 87089900 were found to be Rear Axles during physical examination. The investigation report proposed their re-classification under CTH 87085000, which specifically covers drive-axles with differential, whether or not provided with other transmission components, and non-driving axles and parts thereof. Accordingly, on application of General Rules for Interpretation (GRI) 1 and 6, the proposed classification under CTH 87085000 is examined against the description of heading 8708 and the applicable Section and Chapter Notes.

3.2 The goods declared as "Hand Tools" under CTH 84678990 were identified during examination as assorted Hand Tools. The investigation report proposed their re-classification under CTH 82042000, which covers interchangeable spanner sockets, with or without handles.

3.3 The classification of T-Handle for Auto Parts, Wiper Blade for Auto Parts, Brake Shoe for Auto Parts, Towels, Bedsheet, Blanket, Secateurs for Agriculture

Use, Pruning Shear for Agriculture Use and Rolling Chain remains as recorded in the investigation report. However, discrepancies in the quantities of certain goods were noticed during physical examination. The quantity of Wiper Blades was found to be 13,000 pieces against the declared quantity of 1,088 dozen (13,056 pieces), resulting in a shortage of 56 pieces. Similarly, Brake Shoes were found to be 4,000 sets against the declared quantity of 6,000 sets, resulting in a shortage of 2,000 sets. Pruning Shears were found to be 4,000 pieces against the declared quantity of 334 dozen (4,008 pieces), resulting in a shortage of 8 pieces. Further, the quantity of Rolling Chain was found to be 9,351 Kgs against the declared quantity of 9,325 Kgs, resulting in an excess quantity of 26 Kgs. Accordingly, the quantities of the aforesaid goods are proposed to be re-determined on the basis of the examination findings.

3.4 In respect of the remaining goods, namely Rear Axle, T-Handle, Hand Tools, Towels, Bedsheet, Blanket and Secateurs, the quantities found during physical examination correspond with the quantities declared in the Bill of Entry.

3.5 Further, the goods declared as "Re-export Chain (Not Clear Under DTA)" under CTH 73151100 were found to be Rolling Chain during examination. The importer, vide letter dated 23.10.2026, submitted that the said goods were intended for re-export and undertook to re-export the same in accordance with the directions and procedures prescribed by Customs authorities.

4. INVESTIGATION AND VALUATION OF GOODS

4.1 The discrepancies noticed in the description, classification and quantity of the imported goods during physical examination conducted under Panchanama dated 07.10.2026 gave rise to doubts concerning the correctness and accuracy of the declared particulars and assessable value. Accordingly, Shri Anwar Y. Kukad, Chartered Engineer and Government-approved Valuer, was appointed to examine and ascertain the value of the imported goods. The Chartered Engineer inspected the goods on 15.10.2026 at the premises of M/s. OWS Warehouse Services LLP, Mundra, and submitted Valuation Report Ref. AYK:VAL:03119:2026 dated 15.10.2026. The report records visual inspection of the goods, market analysis, enquiries with manufacturers/suppliers of identical or similar goods, supply-demand analysis and examination of documents provided by the importer/CHA as the basis for valuation. The Chartered Engineer determined the total CIF value of the imported goods at ₹24,80,190/- against the declared assessable value of ₹13,64,383/-.

4.2 Section 14 of the Customs Act, 1962 read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 governs the

determination of assessable value of imported goods. Rule 3 ordinarily requires adoption of the transaction value, subject to the provisions of Rule 12 and adjustments under Rule 10. Where the proper officer has reason to doubt the truth or accuracy of the declared value, Rule 12 provides the procedure for seeking explanation and determining whether the declared transaction value can be accepted.

4.3 Where Rule 3 cannot be applied, Rules 4 to 9 are to be examined sequentially. The investigation report records non-availability of comparable contemporaneous imports and of sufficient deductive or computed-value information. Subject to a reasoned finding on these matters, residual valuation under Rule 9 was proposed. The CE report must be considered with due regard to the restrictions and principles of Rule 9.

4.4 Where the transaction value cannot be determined under Rule 3, the provisions of Rules 4 to 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 are required to be examined sequentially. The investigation report records the proposed re-determination of the assessable value on the basis of the Chartered Engineer's valuation. In the absence of acceptable transaction values of identical or similar goods imported contemporaneously and sufficient information for determination of value under the deductive or computed value methods, valuation under the residual method prescribed under Rule 9 may be considered, subject to recording specific reasons for the non-applicability of the preceding valuation methods. Accordingly, the Chartered Engineer's Report of valuation of ₹24,80,190.24/- is proposed to be adopted for re-determination of the assessable value under Rule 9, subject to the restrictions and principles prescribed thereunder.

4.5 Further, the importer, M/s. Lakshmi Enterprises, vide letter dated 23.10.2026, submitted that they fully agreed with and accepted the value determined by the Chartered Engineer. The importer also requested waiver of issuance of Show Cause Notice and Personal Hearing and requested adjudication of the matter on merits. The acceptance of the Chartered Engineer's valuation by the importer is taken on record. Further, vide letter dated 30.10.2026 referring to Z-Type Bill of Entry No. 4116727 dated 30.09.2026, the importer reiterated acceptance of the re-determined valuation assessed by SIIB, stated that it had no objection thereto, requested waiver of Show Cause Notice and Personal Hearing, and sought adjudication on merits on the basis of the records available. The said subsequent letter is also taken on record.

4.6 In view of the foregoing, the declared assessable value of ₹13,64,383/- was proposed to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported

Goods) Rules, 2007. The Chartered Engineer determined a CIF value of ₹24,80,190.24/- under his report dated 15.10.2026. Subsequently, the SIIB Corrigendum dated 30.10.2026 further submitted that the value of Rolling Chain be substituted by the MIP-based figure of ₹21,97,485/- in place of ₹8,57,765/-, resulting in a corrected aggregate investigation value of ₹38,19,910.24/-.

TABLE–3: Comparative Declared and Chartered Engineer Valuation

Sr. No.	Description of Goods	Quantity Found	Declared AV (₹)	CE USD/ Unit	CE AV (₹)	Difference (₹)
1	Rear Axle	100 PCS	5,130	1	9,680	4,550
2	T-Handle	3,000 PCS	2,75,880	1	2,90,400	14,520
3	Wiper Blade	13,000 PCS	1,03,212	0.23	2,89,538	1,86,326
4	Brake Shoe	4,000 SET	1,21,968	0.5	1,93,600	71,632
5	Hand Tools	480 SET	20,909	0.55	25,555	4,646
6	Towels	5,820 PCS	78,873	0.35	1,97,182	1,18,309
7	Bedsheet	350 SET	18,634	1	33,880	15,246
8	Blanket	675 PCS	2,01,247	3.1	2,02,554	1,307
9	Secateurs	3,600 PCS	40,075	0.5	1,74,240	1,34,165
10	Pruning Shear	4,000 PCS	20,045	0.532	2,05,797	1,85,751
11	Rolling Chain	9,351 KGS	4,78,410	0.948	8,57,765	3,79,355
	TOTAL		**13,64,383**		**24,80,190**	**11,15,807**

4.7 The Chartered Engineer, Shri Anwar Y. Kukad, vide Valuation Report No. AYK:VAL:03119:2026 dated 15.10.2026, determined the total CIF value of the imported goods at ₹24,80,190/-, as against the declared assessable value of ₹13,64,383/-. However, as per the Corrigendum dated 30.10.2026 issued by SIIB, Mundra, to Investigation Report No. 202/2026-27 dated 23.10.2026, the value of Rolling Chain falling under CTH 73151100, having an actual quantity of 9,351 Kgs, is required to be considered at the prescribed Minimum Import Price (MIP) of ₹235/- per Kg, instead of the CIF value of ₹8,57,765/- determined by the Chartered Engineer. Accordingly, the value of the said Rolling Chain, calculated at the prescribed MIP, works out to ₹21,97,485/- (9,351 Kgs × ₹235/- per Kg), resulting in an enhancement of ₹13,39,720/- over the value determined by the Chartered Engineer. Consequently, after incorporating the aforesaid enhancement in the value of Rolling Chain, the total re-determined assessable value of the imported goods works out to ₹38,19,910/- (Rupees Thirty-Eight Lakh Nineteen Thousand Nine Hundred and Ten Only), as against the declared assessable value of ₹13,64,383.41/-, resulting in an overall enhancement of ₹24,55,527/-, equivalent to approximately 179.97% of the declared assessable value. The enhancement is attributable to the discrepancies noticed in the quantities and unit values of the imported goods during physical

examination and the adoption of the prescribed MIP in respect of Rolling Chain, as recorded in the aforesaid Corrigendum. The importer, M/s. Lakshmi Enterprises, vide letter dated 23.10.2026, expressly accepted the valuation determined by the Chartered Engineer and requested waiver of issuance of Show Cause Notice and Personal Hearing, with a request to decide the matter on merits. I also take on record the subsequent letter dated 30.10.2026 in which the importer accepted the re-determined valuation assessed by SIIB, expressed no objection thereto, and reiterated the request for waiver of Show Cause Notice and Personal Hearing. The letter does not expressly identify the aggregate MIP-adjusted amount or separately accept the Rolling Chain MIP calculation; the valuation findings above therefore remain founded on the investigation material and applicable legal provisions.

5. IMPORT POLICY / BIS / MIP / ADD

5.1 It has been reported that the goods mentioned at the relevant Sr. No. of Table-D above, namely Chain falling under CTH 73151100, are subject to mandatory BIS compliance under the Precision Roller and Bush Chains, Attachments and Associated Chains Sprockets (Quality Control) Order, 2024. Further, Roller Chains are restricted goods under the DGFT Import Policy, pursuant to DGFT Notification No. 13/2025-26, subject to a Minimum Import Price (MIP) of Rs. 235/- per Kg. The import of Roller Chains also attracts Anti-Dumping Duty imposed vide Notification No. 06/2025-Customs (ADD) dated 24.03.2025. Further, the importer has failed to produce the requisite BIS certificate in respect of the imported Chain.

5.2 It is further reported that the goods described as “Hand Tools” at Sr. No. 5 of Table-D were initially examined with reference to the Hand Tools (Quality Control) Order. However, the Corrigendum dated 30.10.2026 to Investigation Report No. 202/2026-27 dated 23.10.2026 records that the applicable implementation date, earlier 01.10.2026, was extended to 01.07.2027 by the Hand Tools (Quality Control) Order, 2026 dated 09.10.2026. The Bill of Entry was filed on 30.09.2026 and the Bill of Lading was also issued before 01.10.2026. Accordingly, the allegation of BIS/QCO non-compliance and the proposal for confiscation of Hand Tools under Section 111(d) on that ground stand withdrawn, without prejudice to Sections 111(l) and/or 111(m) wherever otherwise attracted.

5.3 Investigation further states that the imported Rolling Chain remains subject to the applicable BIS/QCO and import-policy requirements and the proposed confiscation provisions as recorded in the Investigation Report. In respect of Hand Tools, however, the Corrigendum dated 30.10.2026 withdraws the

proposal under Section 111(d) solely on account of BIS/QCO non-compliance; any independent liability under Sections 111(l) and/or 111(m) on account of discrepancies in classification, value or other particulars remains unaffected.

6. RE-DETERMINATION OF ASSESSABLE VALUE AND APPLICABLE DUTY

6.1 On the basis of the examination findings, proposed re-classification and the Chartered Engineer's valuation, the total CIF value was initially determined at ₹24,80,190.24/-. In terms of the Corrigendum dated 30.10.2026, the value of 9,351 Kgs of Rolling Chain is substituted from the Chartered Engineer's value of ₹8,57,765/- to the MIP-based value of ₹21,97,485/- (9,351 Kgs × ₹235/- per Kg). Consequently, the aggregate re-determined value is ₹38,19,910/- (approximately ₹38,19,910/-), as against the declared assessable value of ₹13,64,383/-.

6.2 The Special Intelligence and Investigation Branch (SIIB), Custom House, Mundra, vide Investigation Report dated 23.10.2026, has furnished the duty calculation in Table–F, wherein the total applicable Customs duty on the imported goods, excluding Hand Tools (Sr. No. 5) and Rolling Chain (Sr. No. 11), has been calculated at ₹4,95,901/- (Rupees Four Lakh Ninety-Five Thousand Nine Hundred One only). The investigation report records that duty on Hand Tools and Rolling Chain was not computed. Accordingly, the said amount represents the duty calculated on the remaining nine items and not the final duty liability of the entire consignment. The item-wise details of the re-determined assessable value and applicable Customs duty, as recorded in the SIIB Investigation Report dated 23.10.2026, are provided in Table–4 below.

TABLE–4: Item-wise Duty as per SIIB Investigation Report (Table–F)

Sr. No.	Description of Goods	Re-determined CTH	CE Assessable Value (₹)	Recalculated Duty (₹)
1	Rear Axle	87085000	9,680	3,627
2	T-Handle	87089900	2,90,400	1,08,813
3	Wiper Blade	85124000	2,89,538	1,08,490
4	Brake Shoe	87141090	1,93,600	72,542
5	Hand Tools	82042000	25,555	Not calculated
6	Towels	63049250	1,97,182	61,087
7	Bedsheet	63041940	33,880	10,496
8	Blanket	63019090	2,02,554	89,043
9	Secateurs	82015000	1,74,240	19,166
10	Pruning Shear	82015000	2,05,797	22,638
11	Rolling Chain	73151100	8,57,765	Not calculated
	TOTAL		**38,19,910**	**4,95,901**

7. OUTCOME OF THE INVESTIGATION

7.1 The investigation conducted by the Special Intelligence and Investigation Branch (SIIB), Custom House, Mundra, in respect of the import consignment of M/s. Lakshmi Enterprises (IEC: DUOPA7636F), covered under Z-Type Bill of Entry No. 4116727 dated 30.09.2026 and Container No. KMTU9305204, revealed discrepancies in respect of the description, classification, quantity and declared assessable value of the imported goods. The findings of the investigation are summarised below:

7.2 Examination of the Goods:

The container was completely de-stuffed and the imported goods comprising 1,139 packages were examined in the presence of Panch witnesses and the authorised representative of the importer. The examination revealed discrepancies in the quantities of certain goods, namely Wiper Blades, Brake Shoes, Pruning Shears and Rolling Chain. The cargo weight as per the SEZ weighment slip was found to be 27,870 Kgs against the declared gross weight of 26,800 Kgs. Further, the package-wise calculated weight was approximately 24,950.4 Kgs, excluding the weight of Rear Axles. The examination also revealed discrepancies in the declared classification of Rear Axles and Hand Tools, which were proposed to be re-classified under CTH 87085000 and CTH 82042000, respectively. The detailed discrepancies have been recorded in the comparative examination tables above.

7.3 Valuation of the Goods:

The Chartered Engineer, Shri Anwar Y. Kukad, vide Valuation Report No. AYK:VAL:03119:2026 dated 15.10.2026, determined the total CIF value of the imported goods at ₹24,80,190.24/-, as against the declared assessable value of ₹13,64,383.41/-. However, as per the Corrigendum dated 30.10.2026 issued by SIIB, Mundra, to Investigation Report No. 202/2026-27 dated 23.10.2026, the value of Rolling Chain falling under CTH 73151100, having an actual quantity of 9,351 Kgs, has been revised by adopting the prescribed Minimum Import Price (MIP) of ₹235/- per Kg. Accordingly, the value of Rolling Chain works out t o ₹21,97,485/- (9,351 Kgs × ₹235/- per Kg), as against ₹8,57,765/- determined by the Chartered Engineer, resulting in an enhancement of ₹13,39,720/-.

Consequently, after incorporating the aforesaid enhancement, the total re-determined value of the imported goods works out to **₹38,19,910/- (Rupees Thirty-Eight Lakh Nineteen Thousand Nine Hundred and Ten Only)**, as against the declared assessable value of ₹13,64,383/-, resulting in an overall

enhancement of ₹24,55,527/-, equivalent to approximately 179.97% of the declared assessable value.

In view of the discrepancies noticed during physical examination, the valuation determined by the Chartered Engineer and the subsequent Corrigendum issued by SIIB, the declared assessable value appears liable to rejection under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The value of ₹38,19,910.24/- has accordingly been proposed for consideration as the re-determined assessable value under the applicable provisions of the Customs Valuation Rules, 2007, read with Section 14 of the Customs Act, 1962.

7.4 Importability and Policy Compliance:

The investigation revealed that the goods described as Rolling Chain, falling under CTH 73151100, are subject to the applicable provisions of the Precision Roller and Bush Chains, Attachments and Associated Chains Sprockets (Quality Control) Order, 2024, the DGFT Minimum Import Price (MIP) requirement and the Anti-Dumping Duty provisions under Notification No. 06/2025-Customs (ADD) dated 24.03.2025. The importer has not produced the requisite BIS certification in respect of the imported Rolling Chain.

Further, the imported Hand Tools, declared under CTH 84678990 and proposed to be re-classified under CTH 82042000, were examined with reference to the Hand Tools (Quality Control) Order, 2025.

7.5 Confiscation of Goods and Penal Action:

In view of the above, the investigation has established discrepancies in the description, classification, quantity and declared assessable value of certain goods imported by M/s. Lakshmi Enterprises under Z-Type Bill of Entry No. 4116727 dated 30.09.2026. The discrepancies noticed during examination, including shortages in Wiper Blades, Brake Shoes and Pruning Shears, excess quantity of Rolling Chain and proposed re-classification of Rear Axles and Hand Tools, indicate that the imported goods did not correspond in all respects with the particulars declared in the Bill of Entry.

Further, the imported Rolling Chain falling under CTH 73151100, mentioned at Sr. No. 11 of the comparative examination table, appears liable to confiscation under Section 111(d) of the Customs Act, 1962, The discrepancies in quantity, classification and value of the imported goods are required to be examined for determining their liability to confiscation under Section 111(m) of the Customs Act, 1962.

The remaining imported goods, as detailed in the comparative examination and valuation tables, appear liable to confiscation under Section 111(m) of the Customs Act, 1962, to the extent that discrepancies in quantity, classification or value are established. The applicability of Section 111(l) shall be restricted to goods established to be unreported or in excess of the quantities included in the Bill of Entry.

Further, by making declarations in the Bill of Entry which were found to be incorrect in respect of certain particulars relating to the quantity, classification and value of the imported goods, the importer appears to have failed to discharge the obligations prescribed under Sections 46(4) and 46(4A) of the Customs Act, 1962. Consequently, for the aforesaid acts of omission and commission which have rendered the imported goods liable to confiscation, M/s. Lakshmi Enterprises appears liable to penalty under Section 112(a) and under Section 114AA of the Customs Act, 1962.

8. RELEVANT LEGAL PROVISIONS

A. RELEVANT PROVISIONS OF THE SEZ ACT, 2005 AND SEZ RULES, 2006

Sections 2(o), 21 and 22 of the Special Economic Zones Act, 2005 address import into SEZs and enforcement/investigation powers in relation to notified offences. Notifications S.O. 2665(E) and S.O. 2667(E), both dated 05.08.2016, are referred to in the investigation report regarding notified offences and authorisation of Customs officers. Their scope, jurisdictional application and procedural compliance must be confirmed from the official notifications and record.

Rule 47(5) of the SEZ Rules, 2006 concerns refund, demand, adjudication, review and appeal by jurisdictional authorities in relation to authorised operations, subject to its exact statutory terms. The adjudicating authority must record how the applicable Customs and SEZ provisions govern this Z-Type Bill of Entry.

B. RELEVANT PROVISIONS OF THE CUSTOMS ACT, 1962

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

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

Section 2(25): “imported goods”, means any goods brought into India from a place outside India but does not include goods which have been cleared for

home consumption;

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

As per Section 2 (33) of the Customs Act, 1962 'prohibited goods' means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with.

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

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

Section 17. Assessment of duty. –

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

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

Section 46. Entry of goods on importation:

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

(4A) the importer who presents a Bill of Entry shall ensure the following, namely:

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

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

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

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

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

in force;

(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. in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty [not exceeding the value of the goods or five thousand rupees, whichever is the greater;

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

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.

Section 125. Option to pay fine in lieu of confiscation. –

(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

1 [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:

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 7. Deductive value.-

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

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

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

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

(2) If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule

(1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of ninety days after such importation.

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

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

Rule 8. Computed value.-

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

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

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

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

Rule 9. Residual method:-

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

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

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

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

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

(iii) the price of the goods on the domestic market of the country of exportation;

(iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of

rule 8;

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

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

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

9. SUBMISSION AND WAIVER OF NOTICE AND PERSONAL HEARING BY THE IMPORTER:

The importer vide an email dated 23.10.2026 accepted the value of the goods as re-determined by the Chartered Engineer and requested waiver of Show Cause Notice and Personal Hearing in the matter. Subsequently, vide signed letter dated 30.10.2026, the importer again stated that it accepted and agreed with the re-determined value assessed by SIIB, had no objection to such valuation, did not wish to pursue further SCN or PH proceedings, and requested adjudication on merits on the basis of available facts and documents. The letter does not separately specify the revised aggregate value or the MIP-based value of Rolling Chain.

Further, The importer, M/s. Lakshmi Enterprises, vide representation dated 26.10.2026, submitted that the imported goods described as “Hand Tools” were shipped from China under Bill of Lading No. KMTCNBO9832485 dated 03.09.2026, whereas the mandatory BIS certification requirement, as claimed by the importer, came into effect on 01.10.2026. The importer accordingly requested that the consignment be considered for clearance without insisting upon BIS certification, as the goods had already been shipped prior to the stated date of implementation. The Bill of Entry No. 4116727 was filed on 30.09.2026, which is also prior to the implementation date claimed by the importer.

10. IN VIEW OF THE ABOVE FACTS, IT APPEARED THAT:

(i) The goods imported by M/s. Lakshmi Enterprises (IEC: DUOPA7636F) under Z-Type Bill of Entry No. 4116727 dated 30.09.2026 were misdeclared in respect of quantity and classification, inasmuch as 13,000 Pcs of Wiper Blades were found against the declared quantity of 13,056 Pcs, resulting in a shortage of 56 Pcs; 4,000 Sets of Brake Shoes were found against the declared quantity of 6,000 Sets, resulting in a shortage of 2,000 Sets; 4,000 Pcs of Pruning Shears were found against the declared quantity of 4,008 Pcs, resulting in a shortage of 8 Pcs; and 9,351 Kgs of Rolling Chain were found against the declared quantity

of 9,325 Kgs, resulting in an excess quantity of 26 Kgs. Further, Rear Axles and Hand Tools appeared correctly classifiable under CTH 87085000 and CTH 82042000, respectively, instead of the declared CTH 87089900 and CTH 84678990.

(ii) The declared assessable value of ₹13,64,383/- appeared liable to rejection under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and the assessable value of the imported goods appeared liable to re-determination at ₹24,80,190/- (Rupees Twenty-Four Lakh Eighty Thousand One Hundred Ninety only) under Rule 9 of the said Rules, read with Section 14 of the Customs Act, 1962, on the basis of the Chartered Engineer's Valuation Report No. AYK:VAL:03119:2026 dated 15.10.2026, resulting in an enhancement of ₹11,15,807/-. The importer, vide letter dated 23.10.2026, had accepted the valuation determined by the Chartered Engineer. I also take on record the subsequent letter dated 30.10.2026 in which the importer accepted the re-determined valuation assessed by SIIB, expressed no objection thereto, and reiterated the request for waiver of Show Cause Notice and Personal Hearing. The letter does not expressly identify the aggregate MIP-adjusted amount or separately accept the Rolling Chain MIP calculation; the valuation findings above therefore remain founded on the investigation material and applicable legal provisions.

In this regard, I further find that the imported Rolling Chain (Sr. No. 11 of the Table =-4) falling under CTH 73151100, having an actual quantity of 9,351 Kgs, is covered under DGFT Notification No. 13/2025-26 dated 24.05.2025, which prescribes a minimum CIF import value of ₹235/- per Kg, below which the import of such goods is classified as 'Restricted'. Accordingly, the minimum CIF value of the imported Rolling Chain works out to **₹21,97,485/- (Rupees Twenty-One Lakh Ninety-Seven Thousand Four Hundred Eighty-Five Only)**, calculated at ₹235/- per Kg for 9,351 Kgs, as against the value of ₹8,57,765/- determined by the Chartered Engineer. I therefore find that the imported goods fall below the prescribed minimum import price and attract the applicable import policy restrictions. The value of ₹21,97,485/- is taken as the minimum CIF benchmark for examination of the import policy compliance and Customs valuation of the goods. Accordingly, Total assessable value of the subject goods imported vide BOE No. 4116727 dated 30.09.2026 calculated to Rs. 38,19,910/- detailed of the same is tabulated below:

TABLE-5

Sr. No.	Description of Goods	Re-determined	Declared AV (₹)	Final Assessable Value (₹)	Difference

		CTH			
1	Rear Axle	87085000	5,130	9,680	4,550
2	T-Handle	87089900	2,75,880	2,90,400	14,520
3	Wiper Blade	85124000	1,03,212	2,89,538	1,86,326
4	Brake Shoe	87141090	1,21,968	1,93,600	71,632
5	Hand Tools	82042000	20,909	25,555	4,646
6	Towels	63049250	78,873	1,97,182	1,18,309
7	Bedsheet	63041940	18,634	33,880	15,246
8	Blanket	63019090	2,01,247	2,02,554	1,307
9	Secateurs	82015000	40,075	1,74,240	1,34,165
10	Pruning Shear	82015000	20,045	2,05,797	1,85,751
11	Rolling Chain	73151100	4,78,410	21,97,485	17,19,075
	TOTAL		**13,64,383**	**38,19,910**	**24,55,527**

(iii) The imported goods appeared liable to re-assessment under Section 17(4) of the Customs Act, 1962, on the basis of their re-determined quantity, classification and assessable value. The SIIB Investigation Report dated 23.10.2026 calculated Customs duty amounting to ₹4,95,901/- on the goods mentioned at Sr. Nos. 1 to 4 and 6 to 10 of Table–4, excluding Hand Tools (Sr. No. 5) and Rolling Chain (Sr. No. 11).

(iv) The goods mentioned at Sr. Nos. 1 to 10 of Table–3, namely Rear Axles, T-Handles, Wiper Blades, Brake Shoes, Hand Tools, Towels, Bedsheets, Blankets, Secateurs and Pruning Shears, having an aggregate re-determined assessable value of ₹16,22,425/-, appeared liable to confiscation under Section 111(m) of the Customs Act, 1962, insofar as the material particulars relating to quantity, classification and/or assessable value were found incorrectly declared.

(v) It is further found that Hand Tools mentioned at Sr. No. 5, having a re-determined assessable value of ₹25,555/-, the importer, vide representation dated 26.10.2026, submitted that the goods had been shipped under Bill of Lading dated 03.09.2026, prior to the stated implementation date of 01.10.2026 of the applicable Hand Tools (Quality Control) Order. Further, “Hand Tools” were shipped from China under Bill of Lading No. KMTCNBO9832485 dated 03.09.2026, whereas the mandatory BIS certification requirement, came into effect on 01.10.2026, as the goods had already been shipped prior to the stated date of implementation. The Bill of Entry No. 4116727 was filed on 30.09.2026, which is also prior to the implementation date claimed by the importer. In view of the above, duty liability on the goods for clearance of home consumption has been recalculated and same is detailed hereunder in the table:

TABLE-6

Sr. No.	Description	CTH	CE AV (₹)	Duty (₹)
1	Rear Axle	87085000	9,680	3,627
2	T-Handle	87089900	2,90,400	1,08,813
3	Wiper Blade	85124000	2,89,538	1,08,490
4	Brake Shoe	87141090	1,93,600	72,542
5	Hand Tools	82042000	25,555	7,917
6	Towels	63049250	1,97,182	61,087
7	Bedsheet	63041940	33,880	10,496
8	Blanket	63019090	2,02,554	89,043
9	Secateurs	82015000	1,74,240	19,166
10	Pruning Shear	82015000	2,05,797	22,638
11	Rolling Chain	73151100	21,97,485	not calculated
TOTAL AMOUNT (IN RS.)			**38,19,910**	**5,03,818**

(vi) Further, the goods mentioned at Sr. No. 11, namely Rolling Chain falling under CTH 73151100, having an actual quantity of 9,351 Kgs, are covered under DGFT Notification No. 13/2025-26 dated 24.05.2025, which prescribes a minimum CIF import value of ₹235/- per Kg, below which the import of such goods is classified as "Restricted". Accordingly, the minimum CIF value of the said goods works out to **₹21,97,485/- (Rupees Twenty-One Lakh Ninety-Seven Thousand Four Hundred Eighty-Five Only)**, as against the assessable value of ₹4,78,410/- and the assessable value of ₹8,57,765/- determined by the Chartered Engineer. Thus, the imported goods appeared to have been imported below the prescribed Minimum Import Price (MIP), in contravention of the applicable import-policy conditions, and consequently appeared liable to confiscation under Section 111(d) of the Customs Act, 1962, in the absence of requisite authorization from DGFT. The goods also appeared liable to confiscation under Section 111(d) on account of alleged non-compliance with the applicable BIS/QCO requirements. Further, whereas the importer had declared 9,325 Kgs of Rolling Chain, 9,351 Kgs were actually found during physical examination, resulting in an excess quantity of 26 Kgs, which additionally appeared liable to confiscation under Section 111(l) of the Customs Act, 1962. The said goods also appeared liable to confiscation under Section 111(m) on account of discrepancies in the declared quantity and value, subject to determination in accordance with the applicable Customs Valuation Rules, 2007. The importer, vide letter dated 23.10.2026, had also undertaken to re-export the imported Rolling Chain.

(vii) The importer, M/s. Lakshmi Enterprises, having failed to correctly declare

the quantity, classification and assessable value of the imported goods, appeared to have contravened the provisions of Sections 46(4) and 46(4A) of the Customs Act, 1962, and consequently appeared liable to penal action under Section 112(a) of the Customs Act, 1962, for acts or omissions rendering the goods liable to confiscation under Section 111 of the said Act.

(viii) The importer also appeared liable to penal action under Section 114AA of the Customs Act, 1962, subject to establishment that the importer knowingly or intentionally made, signed or used any declaration, statement or document which was false or incorrect in any material particular in relation to the imported goods.

11. DISCUSSION AND FINDINGS

11. I have carefully gone through the records of the case, the Panchanama dated 07.10.2026, the Chartered Engineer's Valuation Report No. AYK:VAL:03119:2026 dated 15.10.2026 and the Investigation Report dated 23.10.2026 submitted by the Special Intelligence and Investigation Branch (SIIB), Custom House, Mundra, under File No. CUS/SIIB/INT/973/2026-SIIB. I note that the importer, M/s. Lakshmi Enterprises (IEC: DUOPA7636F), vide letter dated 23.10.2026, has accepted the valuation determined by the Chartered Engineer, requested waiver of issuance of Show Cause Notice and Personal Hearing and expressed willingness to re-export the imported Rolling Chain falling under CTH 73151100, in view of the applicable BIS/QCO requirements and import-policy restrictions. Further, vide representation dated 26.10.2026, the importer has requested clearance of the imported Hand Tools without insisting upon BIS certification on the ground that the goods were shipped prior to the stated implementation date of the applicable Quality Control Order. I further take on record the importer’s letter dated 30.10.2026 accepting the re-determined valuation assessed by SIIB, reiterating the request for waiver of SCN and PH, and requesting adjudication on the available record. Accordingly, taking the aforesaid submissions and waiver requests on record, and subject to compliance with the requirements of Section 124 of the Customs Act, 1962, I proceed to decide the case on the basis of the documentary evidence available on record. The main issues to be decided are as under:

(i) First issue: Whether the description, classification and quantity of the impugned goods covered under Z-Type Bill of Entry No. 4116727 dated 30.09.2026 require amendment/re-determination in accordance with the physical examination findings, particularly in respect of Wiper Blades, Brake Shoes, Pruning Shears and Rolling Chain, wherein discrepancies in the declared quantities were noticed; and whether Rear Axles and Hand Tools are

correctly classifiable under CTH 87085000 and CTH 82042000, respectively, instead of the declared CTH 87089900 and CTH 84678990;

(ii) Second issue: Whether the declared assessable value of ₹13,64,383/- is liable to rejection under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and whether the assessable value of the imported goods is liable to be re-determined under Rule 9 of the said Rules, read with Section 14 of the Customs Act, 1962, taking into consideration the Chartered Engineer's Valuation Report No. AYK:VAL:03119:2026 dated 15.10.2026, wherein the total CIF value of the imported goods was determined at ₹24,80,190.24/-, and the Corrigendum dated 30.10.2026 issued by SIIB, Mundra, whereby the value of 9,351 Kgs of Rolling Chain falling under CTH 73151100 has been revised from ₹8,57,765/- to ₹21,97,485/-, calculated at the prescribed Minimum Import Price (MIP) of ₹235/- per Kg in terms of DGFT Notification No. 13/2025-26 dated 24.05.2025; and whether, after incorporating the consequential enhancement of ₹13,39,720/- in the value of Rolling Chain, the total assessable value of the imported goods is liable to be re-determined at **₹38,19,910/- (Rupees Thirty-Eight Lakh Nineteen Thousand Nine Hundred and Ten Only)**, as against the originally declared assessable value of ₹13,64,383.41/-, resulting in an overall enhancement of **₹24,55,527/-**, subject to the applicable statutory valuation provisions.

(iii) Third issue: Whether the imported Hand Tools mentioned at Sr. No. 5 of Table–3, falling under CTH 82042000, are entitled to the benefit of non-applicability of mandatory BIS certification in view of the importer's representation dated 26.10.2026 that the goods were shipped under Bill of Lading dated 03.09.2026, prior to the stated implementation date of 01.10.2026 of the applicable Hand Tools (Quality Control) Order; and whether the said goods are liable to confiscation under Section 111(d) of the Customs Act, 1962 solely on account of alleged non-compliance with the mandatory BIS requirement;

(iv) Fourth issue: Whether the imported Rolling Chain mentioned at Sr. No. 11 of Table–3, falling under CTH 73151100, having an actual quantity of 9,351 Kgs, with a declared assessable value of ₹4,78,410/- and a CIF value of ₹8,57,765/- determined by the Chartered Engineer vide Valuation Report No. AYK:VAL:03119:2026 dated 15.10.2026, is required to be considered at the Minimum Import Price (MIP) of ₹235/- per Kg prescribed under DGFT Notification No. 13/2025-26 dated 24.05.2025, resulting in a minimum CIF value of **₹21,97,485/-**, as recorded in the Corrigendum dated 30.10.2026 issued by SIIB, Mundra; whether the said goods are subject to mandatory BIS certification under the applicable Precision Roller and Bush Chains,

Attachments and Associated Chain Sprockets (Quality Control) Order, 2024, import-policy restrictions prescribed under the aforesaid DGFT Notification and Anti-Dumping Duty under Notification No. 06/2025-Customs (ADD) dated 24.03.2025; and whether, in the absence of compliance with the applicable mandatory BIS/QCO requirements and requisite DGFT authorization for importation below the prescribed MIP, the said Rolling Chain is liable to confiscation under Section 111(d) of the Customs Act, 1962, apart from any independent liability to confiscation under Sections 111(l) and 111(m) of the said Act on account of discrepancies in quantity, description, classification or value, as established during investigation.

(v) Fifth issue: Whether the request of M/s. Lakshmi Enterprises, made vide letter dated 23.10.2026, for re-export of the entire quantity of 9,351 Kgs of Rolling Chain, having a re-determined assessable value of ₹21,97,485/-, is admissible under the provisions of the Customs Act, 1962; whether the said goods, if found liable to confiscation, may be permitted for the purpose of re-export under Section 125 of the Customs Act, 1962, subject to payment of appropriate redemption fine and penalty, if imposable, and compliance with the prescribed Customs formalities; and whether the importer may be permitted to re-export the said goods without clearance for home consumption;

(vi) Sixth issue: Whether the imported goods mentioned at Sr. Nos. 1 to 10 of Table–3, having an aggregate re-determined assessable value of ₹16,22,425.24/-, are liable to confiscation under Section 111(m) of the Customs Act, 1962, on account of discrepancies noticed in their description, classification, quantity and/or assessable value during physical examination and subsequent investigation; whether the imported Rolling Chain mentioned at Sr. No. 11 of Table–3, falling under CTH 73151100, having an actual quantity of 9,351 Kgs and a re-determined value of ₹21,97,485/-, calculated at the prescribed Minimum Import Price (MIP) of ₹235/- per Kg in terms of DGFT Notification No. 13/2025-26 dated 24.05.2025, as recorded in the Corrigendum dated 30.10.2026 issued by SIIB, Mundra, is liable to confiscation under **Section 111(d) of the Customs Act, 1962**, on account of non-compliance with the mandatory BIS certification requirements prescribed under the applicable Precision Roller and Bush Chains, Attachments and Associated Chain Sprockets (Quality Control) Order, 2024, and the import-policy restrictions relating to importation below the prescribed MIP without the requisite DGFT authorization; whether the said Rolling Chain is also liable to confiscation under Section 111(m) of the Customs Act, 1962, on account of discrepancies in the declared particulars, including quantity and value; and whether the excess quantity of 26 Kgs of Rolling Chain found during physical examination, as

against the declared quantity of 9,325 Kgs, is additionally liable to confiscation under Section 111(l) of the said Act; thereby rendering the imported goods having an aggregate re-determined value of **₹38,19,910/- (Rupees Thirty-Eight Lakh Nineteen Thousand Nine Hundred and Ten Only)** liable to confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962, as applicable to the respective goods and contraventions established during investigation.

(vii) Seventh issue: Whether the subject Bill of Entry requires re-assessment under Section 17(4) of the Customs Act, 1962 on the basis of the re-determined quantity, classification and assessable value; whether the Customs duty calculated on the goods proposed for clearance for home consumption requires revision in accordance with the applicable tariff rates and exemptions; and whether the duty liability in respect of Rolling Chain proposed for re-export is required to be dealt with separately, having regard to the provisions of Sections 125 and 125(2) of the Customs Act, 1962 and the final manner of disposal of the said goods, so as to determine the correct differential Customs duty, if any, payable by the importer;

(viii) Eighth issue: Whether penalties under Sections 112(a) and 114AA of the Customs Act, 1962 are imposable upon M/s. Lakshmi Enterprises in respect of the discrepancies noticed during physical examination and investigation of the imported goods, including the importation of Rolling Chain allegedly in contravention of the applicable mandatory requirements.

12. FIRST ISSUE — RE-DETERMINATION OF DESCRIPTION, CLASSIFICATION AND QUANTITY OF THE IMPORTED GOODS

12.1 Regarding the first issue, I find that M/s. Lakshmi Enterprises (IEC: DUOPA7636F) filed Z-Type Bill of Entry No. 4116727 dated 30.09.2026 for clearance of goods declared as Rear Axles, T-Handles, Wiper Blades, Brake Shoes, Hand Tools, Towels, Bedsheets, Blankets, Secateurs, Pruning Shears and Rolling Chain, imported from China through Container No. KMTU9305204. The goods were examined by the officers of the Special Intelligence and Investigation Branch (SIIB), Custom House, Mundra, on 07.10.2026 at M/s. OWS Warehouse Services LLP (SEZ Warehouse Unit), Mundra. During examination, discrepancies were noticed in the quantities of certain imported goods as well as in the declared classification of Rear Axles and Hand Tools.

12.2 I find that the physical examination revealed the following discrepancies in quantity:

TABLE-7

Sr. No.	Description of Goods	Declared Quantity	Found Quantity	Difference
1	Wiper Blades	13,056 Pcs	13,000 Pcs	Shortage of 56 Pcs
2	Brake Shoes	6,000 Sets	4,000 Sets	Shortage of 2,000 Sets
3	Pruning Shears	4,008 Pcs	4,000 Pcs	Shortage of 8 Pcs
4	Rolling Chain	9,325 Kgs	9,351 Kgs	Excess of 26 Kgs

12.3 I further find that the examination revealed that the goods declared as Rear Axles under CTH 87089900 were appropriately classifiable under CTH 87085000, having regard to their description and identifiable function as axle assemblies or parts thereof. Similarly, the goods declared as Hand Tools under CTH 84678990 were proposed to be re-classified under CTH 82042000, having regard to their description and physical characteristics as reported during examination. I find that classification of imported goods is required to be determined in accordance with the General Rules for Interpretation of the First Schedule to the Customs Tariff Act, 1975, the relevant Section Notes and Chapter Notes, and the actual nature and characteristics of the goods.

12.4 I find that, in terms of Sections 46(4) and 46(4A) of the Customs Act, 1962, the importer is required to make a true and correct declaration of the imported goods and ensure the accuracy and completeness of the information furnished in the Bill of Entry. However, the importer failed to correctly declare the quantities of Wiper Blades, Brake Shoes, Pruning Shears and Rolling Chain and the classification of Rear Axles and Hand Tools.

12.5 Accordingly, on the basis of the physical examination findings and the description of the goods recorded in the investigation report, I hold that the quantities of Wiper Blades, Brake Shoes, Pruning Shears and Rolling Chain are liable to be re-determined as 13,000 Pcs, 4,000 Sets, 4,000 Pcs and 9,351 Kgs, respectively, instead of their originally declared quantities. Further, Rear Axles and Hand Tools are liable to be re-classified under CTH 87085000 and CTH 82042000, respectively.

13. SECOND ISSUE — REJECTION AND RE-DETERMINATION OF ASSESSABLE VALUE

13.1 Regarding the second issue, I find that the importer declared the total assessable value of the imported goods as ₹13,64,383/-. However, discrepancies were noticed during physical examination in respect of the description, quantity and classification of certain goods. Accordingly, the imported goods were referred for valuation to Shri Anwar Y. Kukad, Chartered

Engineer and Government Approved Valuer, who submitted Valuation Report No. AYK:VAL:03119:2026 dated 15.10.2026, assessing the total CIF value of the imported goods at ₹24,80,190/- (USD 25,621.80 at the exchange rate of ₹96.80 per USD).

13.2 I further find that the imported Rolling Chain mentioned at Sr. No. 11 of Table–3, falling under CTH 73151100, having an actual quantity of 9,351 Kgs, is covered under DGFT Notification No. 13/2025-26 dated 24.05.2025, which prescribes a Minimum Import Price (MIP) of ₹235/- per Kg on CIF basis, below which the import of such goods is classified as "Restricted". Accordingly, the minimum CIF value of the said Rolling Chain works out to **₹21,97,485/- (Rupees Twenty-One Lakh Ninety-Seven Thousand Four Hundred Eighty-Five Only)**, as against the assessable value of ₹4,78,410/- and the value of ₹8,57,765/- determined by the Chartered Engineer. Thus, the difference between the Chartered Engineer's valuation and the prescribed minimum CIF value amounts to ₹13,39,720/-. I find that the said minimum CIF value is relevant for determining compliance with the applicable import-policy restrictions and for examination of the declared value under the Customs Valuation Rules, 2007.

13.3 I find that the total value determined by the Chartered Engineer exceeds the declared assessable value by ₹11,15,807/-, representing an enhancement of approximately 81.78%. Further, upon substituting the Chartered Engineer's valuation of Rolling Chain with its minimum CIF value calculated under the aforesaid DGFT notification, the revised aggregate value of the imported goods works out to **₹38,19,910/-**, as detailed below:

TABLE-8

Particulars	**Amount (₹)**
Total assessable value declared by the importer	13,64,383
Total CIF value determined by the Chartered Engineer	24,80,190
Less: Value of Rolling Chain determined by the Chartered Engineer	8,57,765
Add: Minimum CIF value of Rolling Chain (9,351 Kgs × ₹235/-)	21,97,485
Revised aggregate value calculated with reference to MIP	**38,19,910**
Difference over declared assessable value	**24,55,527**

13.4 I find that the substantial difference between the declared assessable value and the value determined by the Chartered Engineer, considered along with the discrepancies noticed during physical examination, raised reasonable doubt regarding the truth and accuracy of the declared transaction value. I further note that the importer, vide letter dated 23.10.2026, expressly accepted the valuation determined by the Chartered Engineer and requested waiver of issuance of Show Cause Notice and Personal Hearing. I further take on record

the importer's subsequent letter dated 30.10.2026 accepting the re-determined valuation assessed by SIIB and reiterating waiver of Show Cause Notice and Personal Hearing.

13.5 In terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the declared transaction value may be rejected where the proper officer has reason to doubt its truth or accuracy, subject to compliance with the procedure prescribed under the said Rule. Upon rejection of the declared transaction value, the assessable value is required to be determined sequentially under Rules 4 to 9 of the said Rules. I find that the Chartered Engineer's valuation report has taken into consideration the description, quantity, nature and condition of the imported goods as examined, and the importer has not disputed the valuation determined by the Chartered Engineer. I further find that DGFT Notification No. 13/2025-26 dated 24.05.2025 prescribes a minimum CIF threshold for import-policy purposes, but does not independently prescribe a method for determining assessable value under the Customs Valuation Rules, 2007.

13.6 In view of the examination findings, discrepancies noticed in the declared description, quantity and value of the imported goods, and the importer's acceptance of the Chartered Engineer's Valuation Report, I find that sufficient grounds exist for rejection of the declared assessable value of ₹13,64,383/- under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. I find that the Chartered Engineer, Shri Anwar Y. Kukad, vide Valuation Report No. AYK:VAL:03119:2026 dated 15.10.2026, determined the aggregate CIF value of the imported goods at ₹24,80,190/-. However, I further find that SIIB, Mundra, vide Corrigendum dated 30.10.2026 to Investigation Report No. 202/2026-27 dated 23.10.2026, has revised the value of Rolling Chain falling under CTH 73151100, having an actual quantity of 9,351 Kgs, from ₹8,57,765/- determined by the Chartered Engineer to ₹21,97,485/-, calculated at the prescribed Minimum Import Price (MIP) of ₹235/- per Kg in terms of DGFT Notification No. 13/2025-26 dated 24.05.2025. I find that the said revision has resulted in an enhancement of ₹13,39,720/- in the value of Rolling Chain and, consequently, the aggregate re-determined value of the imported goods has been revised from ₹24,80,190/- to ₹38,19,910/- (Rupees Thirty-Eight Lakh Nineteen Thousand Nine Hundred and Ten Only). I have carefully examined the findings recorded in the aforesaid Corrigendum and find that the revised valuation appropriately takes into consideration the prescribed MIP applicable to the imported Rolling Chain. Accordingly, I concur with and accept the findings of SIIB, Mundra, as recorded in the Corrigendum dated 30.10.2026, and adopt the revised aggregate value of ₹38,19,910/-, as against the originally declared assessable value of ₹13,64,383/-, resulting in an overall enhancement of ₹24,55,527/-. I, therefore, hold that the declared assessable value is liable to rejection under Rule 12 of the Customs Valuation

(Determination of Value of Imported Goods) Rules, 2007, and that the aggregate value of ₹38,19,910/- is to be considered for re-determination of the assessable value under Rule 9 of the said Rules, read with Section 14 of the Customs Act, 1962, subject to the statutory requirements governing valuation. I also take on record the subsequent letter dated 30.10.2026 in which the importer accepted the re-determined valuation assessed by SIIB, expressed no objection thereto, and reiterated the request for waiver of Show Cause Notice and Personal Hearing. The letter does not expressly identify the aggregate MIP-adjusted amount or separately accept the Rolling Chain MIP calculation; the valuation findings above therefore remain founded on the investigation material and applicable legal provisions.

14. THIRD ISSUE — APPLICABILITY OF BIS/QCO REQUIREMENTS TO IMPORTED HAND TOOLS

14.1 Regarding the third issue, I find that the imported goods described as Hand Tools, mentioned at Sr. No. 5 of Table–3, having a quantity of 480 Sets and a re-determined assessable value of ₹25,555/-, were declared under CTH 84678990 and proposed to be re-classified under CTH 82042000. The SIIB Investigation Report has raised the issue of applicability of mandatory BIS certification under the Hand Tools (Quality Control) Order, 2025, which was stated to have come into effect on 01.10.2026.

14.2 I find that the importer, vide representation dated 26.10.2026, submitted that the imported Hand Tools were shipped under Bill of Lading dated 03.09.2026, prior to the stated commencement date of 01.10.2026 of the applicable Quality Control Order. I further note that the subject Bill of Entry was filed on 30.09.2026, also prior to the said date. On this basis, the importer requested that mandatory BIS certification should not be insisted upon for clearance of the said goods.

14.3 I find that the applicability of a Quality Control Order is governed by its notified scope, commencement provisions, product-specific Indian Standards and any exemptions or transitional arrangements expressly provided therein. The date of shipment and the date of filing of the Bill of Entry are relevant facts for consideration. However, shipment prior to the commencement date does not, by itself, establish exemption unless such treatment is permitted by the applicable notification or governing legal provisions.

14.4 In the present case, the importer has furnished documentary evidence indicating shipment of the goods prior to the stated implementation date.

Accordingly, the importer's claim regarding non-applicability of mandatory BIS certification requires consideration with reference to the exact provisions of the applicable Quality Control Order, including whether the imported goods are covered by the prescribed Indian Standards and whether any transitional exemption is available.

14.5 I find that the Corrigendum dated 30.10.2026 to SIIB Investigation Report No. 202/2026-27 dated 23.10.2026 specifically records that the Hand Tools (Quality Control) Order, 2026 dated 09.10.2026 extended the effective date of the applicable BIS requirement from 01.10.2026 to 01.07.2027. The subject Bill of Entry was filed on 30.09.2026 and the relevant Bill of Lading was issued before 01.10.2026. Accordingly, the allegation of non-compliance with mandatory BIS requirements in respect of Hand Tools at Sr. No. 5 does not survive.

14.6 I therefore hold that the imported Hand Tools at Sr. No. 5 are not liable to confiscation under Section 111(d) of the Customs Act, 1962 solely on account of the BIS/QCO requirement discussed above. This finding is without prejudice to their liability, if independently attracted, under Sections 111(l) and/or 111(m) on account of discrepancies in classification, value or other particulars. The re-classification, re-determination of assessable value and applicable Customs duty remain unaffected.

15. FOURTH ISSUE — APPLICABILITY OF BIS, MIP AND ANTI-DUMPING DUTY TO ROLLING CHAIN

15.1 Regarding the fourth issue, I find that the importer had declared 9,325 Kgs of Rolling Chain falling under CTH 73151100, whereas 9,351 Kgs were actually found during physical examination, resulting in an excess quantity of 26 Kgs. I further find that the Chartered Engineer, vide Valuation Report No. AYK:VAL:03119:2026 dated 15.10.2026, determined the assessable value of the entire quantity of 9,351 Kgs of Rolling Chain at ₹8,57,765/- (Rupees Eight Lakh Fifty-Seven Thousand Seven Hundred Sixty-Five Only), equivalent to approximately ₹91.73 per Kg, as against the declared value of ₹4,78,410/- for 9,325 Kgs.

15.2 I find that the imported Rolling Chain is covered by the provisions of the Precision Roller and Bush Chains, Attachments and Associated Chain Sprockets (Quality Control) Order, 2024, issued vide S.O. 2174(E) dated 03.06.2024, insofar as the imported goods conform to the description and technical scope of IS 2403:2014/ISO 606:2004. The said Quality Control Order mandates conformity with the prescribed Indian Standard and use of the BIS Standard Mark under a valid BIS licence, subject to the applicability of the Order and any exemptions or amendments in force on the date of importation. I

find that the importer has not produced the requisite BIS certification or documentary evidence establishing compliance with the aforesaid Quality Control Order. Accordingly, the goods would be liable to the applicable import restrictions arising from non-compliance with mandatory BIS requirements, upon confirmation that the imported goods fall within the technical scope of the said Order.

15.3 I further find that the Directorate General of Foreign Trade (DGFT), vide Notification No. 13/2025-26 dated 24.05.2025, issued under Sections 3 and 5 of the Foreign Trade (Development and Regulation) Act, 1992, has amended the Import Policy Condition applicable to Roller Chains and parts thereof falling under ITC(HS) 73151100, whereby import of such goods having a CIF value of less than ₹235/- per kilogram has been classified as "Restricted". I find that the actual quantity of Rolling Chain found during physical examination is 9,351 Kgs and, accordingly, the minimum CIF value corresponding to the prescribed MIP works out to **₹21,97,485/- (Rupees Twenty-One Lakh Ninety-Seven Thousand Four Hundred Eighty-Five Only)**, calculated at ₹235/- per Kg. The said value is substantially higher than the declared value of ₹4,78,410/- and the Chartered Engineer's determined value of ₹8,57,765/-. Thus, both the declared unit value and the Chartered Engineer's determined unit value are below the prescribed MIP threshold. The comparative valuation of the imported Rolling Chain is detailed below:

Table 9 Comparative Valuation of Rolling Chain

Sr. No.	Particulars	As declared by importer	As valued by Chartered Engineer	As per MIP
1	Quantity (Kgs)	9,325	9,351	9,351
2	Unit value (₹/Kg)	51.30	91.73	235.00
3	**Total value (₹)**	**4,78,410**	**8,57,765**	**21,97,485**

I find from the above comparative table that the minimum CIF value calculated in accordance with the prescribed MIP exceeds the Chartered Engineer's determined value by ₹13,39,720/-, representing an increase of approximately 156.19%. Accordingly, on the basis of the declared and CE-determined values, the imported Rolling Chain falls below the prescribed minimum CIF threshold and attracts the applicable Restricted import-policy condition, requiring valid import authorisation from DGFT. I find that the importer has not produced any such authorisation.

15.4 I further find that Notification No. 06/2025-Customs (ADD) dated 24.03.2025, issued under Section 9A of the Customs Tariff Act, 1975, imposes

Anti-Dumping Duty on specified Roller Chains originating in or exported from China PR. As per the Table appended to the said Notification, Roller Chains manufactured by the specified producers mentioned at Serial Nos. 1 and 2 attract NIL Anti-Dumping Duty, whereas goods manufactured by producers falling under the category "Others", as specified at Serial No. 3, attract Anti-Dumping Duty at the rate of 6.34% of the CIF value. I find that the imported goods originate from China PR and that the supplier's name does not appear among the specified producers mentioned at Serial Nos. 1 and 2. Accordingly, the imported goods would attract Anti-Dumping Duty at the applicable rate, which may be 6.34% where the goods are covered under the "Others" category.

15.5 I further find that the prescribed MIP of ₹235/- per Kg under DGFT Notification No. 13/2025-26 dated 24.05.2025 represents the minimum CIF threshold for determining whether the imported Rolling Chain falls within the Restricted category under the applicable Import Policy. Accordingly, the minimum CIF value of the actual quantity of 9,351 Kgs works out to ₹21,97,485/-, whereas the Chartered Engineer has determined the value at ₹8,57,765/-. I find that the MIP-equivalent value of ₹21,97,485/- is relevant for determining compliance with the applicable import-policy restrictions.

15.6 I further find that the importer has neither produced the requisite BIS certification establishing compliance with the applicable Quality Control Order nor furnished any valid DGFT import authorisation permitting importation of Rolling Chain below the prescribed minimum CIF threshold of ₹235/- per Kg. I find that the imported Rolling Chain, having a Chartered Engineer's determined unit value of approximately ₹91.73 per Kg, falls below the prescribed MIP and is therefore subject to the Restricted import-policy condition. In the absence of the requisite DGFT authorisation, the importation of the said goods appears to be in contravention of the applicable import-policy provisions. I also note that the importer, vide letter dated 23.10.2026, has expressed willingness to re-export the said goods instead of seeking their clearance for home consumption. However, I find that the importer's request for re-export does not, by itself, extinguish the consequences of importation in contravention of applicable statutory restrictions, and the said request is required to be considered separately in accordance with the provisions of the Customs Act, 1962.

15.7 In view of the foregoing discussion, I find that the imported Rolling Chain falling under CTH 73151100, weighing 9,351 Kgs, having a re-determined assessable value of ₹21,97,485/- and a minimum CIF value of ₹21,97,485/- calculated in accordance with the prescribed MIP of ₹235/- per Kg, falls within the Restricted category under DGFT Notification No. 13/2025-26 dated 24.05.2025, on the basis of the CE-determined unit value. I further find that the importer has failed to produce the requisite DGFT import authorisation

permitting importation of the said goods below the prescribed MIP. Accordingly, subject to confirmation of the relevant CIF value and applicable import-policy conditions, the entire quantity of 9,351 Kgs of Rolling Chain is liable to confiscation under Section 111(d) of the Customs Act, 1962, for contravention of the applicable import-policy restrictions. Further, non-compliance with the mandatory BIS certification requirements would constitute an additional ground for confiscation under Section 111(d), upon establishing that the goods fall within the technical scope of the applicable Quality Control Order. I also find that the excess quantity of 26 Kgs, which was not correctly declared in the Bill of Entry, is liable to confiscation under Section 111(m) of the Customs Act, 1962, on account of misdeclaration of quantity.

16. FIFTH ISSUE — REQUEST FOR RE-EXPORT OF IMPORTED ROLLING CHAIN

16.1 Regarding the fifth issue, I find that the importer, M/s. Lakshmi Enterprises, vide letter dated 23.10.2026, has requested permission to re-export the imported Rolling Chain falling under CTH 73151100, having an actual quantity of 9,351 Kgs and a re-determined assessable value of ₹21,97,485/- (Rupees Eight Lakh Fifty-Seven Thousand Seven Hundred Sixty-Five Only), as determined by the Chartered Engineer. I further find that the minimum CIF value of the said goods, calculated at the prescribed Minimum Import Price (MIP) of ₹235/- per Kg under DGFT Notification No. 13/2025-26 dated 24.05.2025, works out to ₹21,97,485/- (Rupees Twenty-One Lakh Ninety-Seven Thousand Four Hundred Eighty-Five Only). The request for re-export has been made in view of the applicable BIS/QCO requirements and import-policy restrictions identified during investigation.

16.2 I find that the imported Rolling Chain, having a Chartered Engineer's determined unit value of approximately ₹91.73 per Kg, falls below the prescribed MIP of ₹235/- per Kg and consequently attracts the Restricted import-policy condition under the aforesaid DGFT Notification. I further find that the importer has neither produced the requisite DGFT import authorisation for importation below the prescribed MIP nor furnished documentary evidence establishing compliance with the applicable BIS Quality Control Order. Instead of seeking clearance of the said goods for home consumption, the importer has expressed willingness to re-export the entire quantity of 9,351 Kgs outside India.

16.3 I find that Section 125 of the Customs Act, 1962, provides for an option to pay fine in lieu of confiscation, subject to the conditions prescribed therein. In cases where imported goods are liable to confiscation on account of contravention of applicable import-policy restrictions, the adjudicating authority is required to determine the permissibility of redemption having

regard to the nature of the goods, the statutory restrictions and the facts and circumstances of the case. I further find that the imported Rolling Chain is subject to import restrictions arising from the prescribed MIP and, of the relevant Quality Control Order, mandatory BIS certification requirements. Accordingly, the request for re-export is required to be examined in the context of the findings regarding confiscation under Section 111(d) of the Customs Act, 1962.

16.4 I further find that the importer's willingness to re-export the goods does not, by itself, absolve the importer of liability arising from contraventions committed at the time of importation. Accordingly, the liability to confiscation under Section 111(d) and Section 111(m) of the Customs Act, 1962, and the imposition of redemption fine under Section 125 and penalty under the applicable provisions of the said Act, wherever warranted, are required to be determined independently. I also find that the treatment of Customs duty, including any applicable Anti-Dumping Duty under Notification No. 06/2025-Customs (ADD) dated 24.03.2025, is required to be examined in accordance with Section 125(2) of the Customs Act, 1962, having regard to the nature of the redemption option granted and the actual disposal of the goods by way of re-export.

16.5 In the present case, I take note of the importer's undertaking to re-export the entire quantity of 9,351 Kgs of Rolling Chain. I find that the said goods, having a CE-determined assessable value of ₹8,57,765/- and a minimum CIF benchmark value of ₹21,97,485/- under the applicable DGFT notification, are subject to the import-policy restrictions discussed in the preceding paragraphs. I further find that permitting re-export of the said goods, subject to the applicable statutory requirements, would ensure that goods imported without establishing compliance with the mandatory import requirements are not released into the domestic market. However, such permission shall not affect the findings regarding liability to confiscation or the imposition of redemption fine and penalty, wherever applicable.

16.6 Accordingly, in view of the foregoing findings and the importer's request dated 23.10.2026, I find that the request for re-export of the entire quantity of **9,351 Kgs of Rolling Chain falling under CTH 73151100, having a re-determined assessable value of ₹21,97,485/- as per MIP**, merits consideration. I therefore consider it appropriate to permit re-export of the said goods, subject to payment of such redemption fine and penalty as may be imposed under the Customs Act, 1962, and compliance with all applicable Customs procedures and statutory requirements.

17. SIXTH ISSUE — CONFISCATION OF THE IMPORTED GOODS

17.1 Regarding the sixth issue, I find that the detailed examination conducted by SIIB revealed discrepancies in the declared quantities of Wiper Blades, Brake Shoes, Pruning Shears and Rolling Chain. Further, the classification of Rear Axles and Hand Tools was found to require modification. I also find that the Chartered Engineer, Shri Anwar Y. Kukad, vide Valuation Report No. AYK:VAL:03119:2026 dated 15.10.2026, determined the aggregate CIF value of the imported goods at ₹24,80,190.24/-, as against the declared assessable value of ₹13,64,383.41/-. Subsequently, SIIB, Mundra, vide Corrigendum dated 30.10.2026 to Investigation Report No. 202/2026-27 dated 23.10.2026, revised the value of Rolling Chain from ₹8,57,765/- to ₹21,97,485/-, calculated at the prescribed Minimum Import Price (MIP) of ₹235/- per Kg. Consequently, the aggregate re-determined value of the imported goods has been revised to **₹38,19,910/-**, resulting in an enhancement of ₹24,55,527/- over the originally declared assessable value. I have examined the findings recorded in the aforesaid Corrigendum and concur with the revised valuation adopted by SIIB, subject to the applicable provisions of the Customs Valuation Rules, 2007.

17.2 I find that the goods mentioned at Sr. Nos. 1 to 10 of Table–3, namely Rear Axles, T-Handles, Wiper Blades, Brake Shoes, Hand Tools, Towels, Bedsheets, Blankets, Secateurs and Pruning Shears, have an aggregate re-determined assessable value of **₹16,22,425/-**. The goods mentioned at Sr. No. 11 of Table–3, namely Rolling Chain falling under CTH 73151100, having an actual quantity of 9,351 Kgs, have a re-determined value of **₹21,97,485/-**, calculated at the prescribed MIP of ₹235/- per Kg in terms of DGFT Notification No. 13/2025-26 dated 24.05.2025. Accordingly, the aggregate re-determined value of the entire imported consignment works out to **₹38,19,910/- (Rupees Thirty-Eight Lakh Nineteen Thousand Nine Hundred and Ten Only)**.

17.3 I find that Section 111(m) of the Customs Act, 1962, provides for confiscation of imported goods which do not correspond in respect of value or any other material particular with the declaration made in the Bill of Entry or other relevant entry documents. Further, Section 111(l) of the said Act provides for confiscation of dutiable or prohibited goods which are not included, or are in excess of those included, in the entry made under the Act. Section 111(d) provides for confiscation of goods imported or attempted to be imported contrary to any prohibition imposed by or under the Customs Act, 1962, or any other law for the time being in force. I find that the discrepancies in the declared quantities, classification and other material particulars established during physical examination, together with the applicable statutory restrictions governing the importation of Rolling Chain, are relevant for determining the liability of the imported goods to confiscation under the aforesaid provisions.

17.4 I find that the goods mentioned at Sr. Nos. 1 to 10 of Table–3, having an

aggregate re-determined assessable value of **₹16,22,425/-**, were found to have discrepancies in their declared quantities, classification and/or assessable values, as established during physical examination and subsequent investigation. I further find that the declaration made by the importer in the Bill of Entry did not correspond with the actual particulars of the goods found during examination. Accordingly, I hold that the said goods are liable to confiscation under **Section 111(m) of the Customs Act, 1962**, to the extent of the discrepancies established in respect of the individual items. Further, wherever goods or excess quantities were found not to have been included in the Bill of Entry, the provisions of **Section 111(l)** of the said Act are also attracted. However, in respect of Hand Tools appearing at Sr. No. 5 of Table–3, I find that SIIB, vide Corrigendum dated 30.10.2026, has specifically withdrawn the allegation of non-compliance with mandatory BIS requirements, in view of the extension of the effective date of the applicable Hand Tools (Quality Control) Order to 01.07.2027. Accordingly, the said Hand Tools are not liable to confiscation under Section 111(d) solely on account of the aforesaid BIS/QCO requirement, without prejudice to their liability under Sections 111(l) and/or 111(m), wherever independently established.

17.5 I further find that the imported Rolling Chain mentioned at Sr. No. 11 of Table–3, falling under CTH 73151100, having an actual quantity of 9,351 Kgs and a re-determined value of **₹21,97,485/-**, calculated at the prescribed MIP of ₹235/- per Kg, is subject to the mandatory BIS certification requirements prescribed under the Precision Roller and Bush Chains, Attachments and Associated Chain Sprockets (Quality Control) Order, 2024, and the import-policy restrictions prescribed under DGFT Notification No. 13/2025-26 dated 24.05.2025. I find that the importer has not produced the requisite BIS certification/licence or documentary evidence establishing compliance with the applicable Quality Control Order. Further, the declared import value and the CIF value determined by the Chartered Engineer are below the prescribed MIP, and the importer has not produced the requisite DGFT authorization permitting importation below the said MIP. In view of these contraventions, I hold that the imported Rolling Chain is liable to confiscation under **Section 111(d) of the Customs Act, 1962**, on account of non-compliance with the applicable BIS/QCO requirements and import-policy restrictions. I further find that the actual quantity of Rolling Chain was 9,351 Kgs, as against the declared quantity of 9,325 Kgs, resulting in an excess quantity of 26 Kgs. Accordingly, the said Rolling Chain is also liable to confiscation under **Section 111(m)** of the Customs Act, 1962, on account of discrepancies in the declared material particulars, including quantity, and the excess quantity of 26 Kgs, which was not included in the quantity declared in the Bill of Entry, is additionally liable to confiscation under **Section 111(l)** of the said Act.

18. SEVENTH ISSUE — RE-ASSESSMENT AND DIFFERENTIAL CUSTOMS DUTY

18.1 Regarding the seventh issue, I find that the importer self-assessed Z-Type Bill of Entry No. 4116727 dated 30.09.2026 under Section 17(1) of the Customs Act, 1962. Examination established discrepancies in certain quantities and classifications. The Chartered Engineer's report and SIIB Corrigendum dated 30.10.2026 must be considered for re-assessment, distinguishing the valuation of goods proposed for home consumption from the Rolling Chain proposed for re-export and distinguishing the DGFT MIP threshold from assessable value under Section 14.

18.2 In terms of Section 17(4) of the Customs Act, 1962, where it is found on verification, examination or otherwise that the self-assessment has not been done correctly, the proper officer may re-assess the duty leviable on such goods. Accordingly, I find that the subject Bill of Entry is liable to re-assessment under Section 17(4) of the Customs Act, 1962.

18.3 I find that, as per the duty working recorded in the draft OIO, duty on goods at Sr. Nos. 1 to 4 and 6 to 10 of Table–4 is ₹4,95,901/-, excluding Hand Tools and Rolling Chain. Duty on Hand Tools falling under CTH 82042000, on the stated assessable value of ₹25,555/-, has been calculated at ₹7,917/- using BCD 10%, SWS 10% of BCD and IGST 18%. The Corrigendum dated 30.10.2026 removes only the Hand Tools BIS/QCO-based allegation under Section 111(d); it does not by itself remove the otherwise applicable Customs duty. The applicable tariff rates, exemptions and arithmetic must be verified at re-assessment.

18.4 On the figures recorded in the draft, aggregate duty on Sr. Nos. 1 to 10 is ₹5,03,818.32/-, excluding Rolling Chain at Sr. No. 11 proposed for re-export. The draft records originally assessed duty of ₹2,74,770/- attributable to Sr. Nos. 1 to 10. Accordingly, the arithmetical differential is ₹2,29,048/-, subject to home-consumption assessment. The corrected aggregate investigation value of ₹38,19,910.24/- includes Rolling Chain and is not itself the duty base for Sr. Nos. 1 to 10.

TABLE-10

Sr. No.	Description	Declared Assessable Value (₹)	Declared Total Duty (₹)	Revised Assessable Value AV (₹)	Revised Duty Liability (₹)	Differential Duty
1	Rear Axle	5,130	1,923	9680	3627	1705
2	T-Handle	2,75,880	1,03,372	290400	108813	5441

3	Wiper Blade	1,03,212	38,674	289538	108490	69816
4	Brake Shoe	1,21,968	45,701	193600	72542	26841
5	Hand Tools	20,909	5,799	25555	7917	2118
6	Towels	78,873	13,053	197182	61087	48033
7	Bedsheet	18,634	3,084	33880	10496	7412
8	Blanket	2,01,247	56,550	202554	89043	32492
9	Secateurs	40,075	4,408	174240	19166	14758
10	Pruning Shear	20,045	2,205	205797	22638	20433
TOTAL AMOUNT IN RS.		**8,85,974**	**2,74,770**	**1622425**	**503818**	229048

18.5 Accordingly, I hold that the subject Bill of Entry requires re-assessment under Section 17(4) of the Customs Act, 1962 on the basis of verified description, classification, quantity and legally determined assessable value. On the existing draft duty working, the differential duty for Sr. Nos. 1 to 10 is ₹2,29,048/-, subject to final verification and rounding under the applicable provisions. No additional duty on the Rolling Chain proposed for re-export is quantified in this working.

19. EIGHTH ISSUE — IMPOSITION OF PENALTIES UNDER SECTIONS 112 AND 114AA OF THE CUSTOMS ACT, 1962

19.1 I find that the importer, M/s. Lakshmi Enterprises (IEC: DUOPA7636F), filed Z-Type Bill of Entry No. 4116727 dated 30.09.2026 declaring 13,056 Pcs of Wiper Blades, 6,000 Sets of Brake Shoes, 4,008 Pcs of Pruning Shears and 9,325 Kgs of Rolling Chain, whereas 13,000 Pcs of Wiper Blades, 4,000 Sets of Brake Shoes, 4,000 Pcs of Pruning Shears and 9,351 Kgs of Rolling Chain were actually found during physical examination conducted by SIIB on 07.10.2026. Thus, an excess quantity of 26 Kgs of Rolling Chain was found, apart from shortages in other items. Further, the classification of Rear Axles and Hand Tools was found to be incorrect and required re-classification under CTH 87085000 and CTH 82042000, respectively. In addition, SIIB proposed enhancement of the assessable value of the imported goods on the basis of the valuation determined by Shri Anwar Y. Kukad, Chartered Engineer and Government Approved Valuer, vide Valuation Report No. AYK:VAL:03119:2026 dated 15.10.2026, wherein the total CIF value was determined at ₹24,80,190/- against the declared assessable value of ₹13,64,383.41/-. The Corrigendum dated 30.10.2026 subsequently recorded an aggregate corrected investigation value of ₹38,19,910/- after substitution of the Rolling Chain component by the MIP benchmark; that benchmark does not automatically establish assessable value under Section 14. I further

find that the imported Rolling Chain, falling under CTH 73151100, was reported to be subject to mandatory BIS/QCO requirements and applicable import-policy restrictions, for which the requisite compliance documents were not produced. I note that the importer, vide letter dated 23.10.2026, accepted the Chartered Engineer's valuation, requested waiver of issuance of Show Cause Notice and Personal Hearing and undertook to re-export the entire quantity of 9,351 Kgs of Rolling Chain.

19.2 I find that Section 112(a) of the Customs Act, 1962, provides for imposition of penalty upon any person who, in relation to any goods, does or omits to do any act which renders such goods liable to confiscation under Section 111 of the said Act, or abets the doing or omission of such act. In the present case, the importer, by making incorrect declarations in respect of quantity, classification and assessable value of the imported goods, committed acts and omissions which rendered the offending goods liable to confiscation under Section 111(m) of the Customs Act, 1962. Further, the excess quantity of 26 Kgs of Rolling Chain was not included in the declared quantity and was found liable to confiscation under Section 111(l) of the said Act. The imported Rolling Chain was also found liable to confiscation under Section 111(d). I further find that the importer's request for re-export of Rolling Chain does not absolve the importer of liability arising from the contraventions established at the time of importation. Accordingly, I hold that M/s. Lakshmi Enterprises is liable to penalty under Section 112(a) of the Customs Act, 1962.

19.3 As regards penalty under Section 114AA of the Customs Act, 1962, I find that the said provision applies where a person knowingly or intentionally makes, signs or uses any declaration, statement or document which is false or incorrect in any material particular in the transaction of business under the Act. In the present case, the examination established that the declarations made in the Bill of Entry were incorrect in material particulars relating to quantity and classification.

19.4 Accordingly, while the discrepancies established during examination justify penal action under Section 112(a), and under Section 114AA. I also take note of the importer's letter dated 23.10.2026 accepting the Chartered Engineer's valuation and requesting waiver of Show Cause Notice and Personal Hearing, which may be considered while determining the quantum of penalty, without affecting the statutory requirements for imposition of penalty. I further take on record the importer’s subsequent letter dated 30.10.2026 accepting the re-determined valuation assessed by SIIB and reiterating waiver of Show Cause Notice and Personal Hearing.

19.5 I note that the importer accepted the Chartered Engineer's valuation and waived Show Cause Notice and Personal Hearing. I further take note of the

subsequent letter dated 30.10.2026 reiterating acceptance of SIIB's re-determined valuation and the request for waiver of SCN and PH.

19.6 Accordingly, I hold that M/s Lakshmi Enterprises is liable to penalty under Sections 112 and 114AA of the Customs Act, 1962.

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

ORDER

(i) I order that the description, classification and quantity particulars of the impugned goods covered under Z-Type Bill of Entry No. 4116727 dated 30.09.2026, filed by M/s. Lakshmi Enterprises (IEC: DUOPA7636F), be amended/re-determined in accordance with the physical examination findings recorded above.

(ii) I reject the declared assessable value of ₹13,64,383/- (Rupees Thirteen Lakh Sixty-Four Thousand Three Hundred Eighty-Three Only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and record the corrected value is ₹38,19,910.24/- (Rupees Thirty-Eight Lakh Nineteen Thousand Nine Hundred Ten and Twenty-Four Paise Only). I direct that the assessable value for duty purposes be determined in accordance with Section 14 and the applicable Customs Valuation Rules.

(iii) I order confiscation of the imported goods mentioned at Sr. Nos. 1 to 10 of Table–3, having re-determined assessable value of ₹16,22,425/- (Rupees Sixteen Lakh Twenty-Two Thousand Four Hundred and Twenty-Five only), under Section 111(m) of the Customs Act, 1962. **However,** I give the importer an option under Section 125 of the Customs Act, 1962, to redeem the said goods for home consumption on payment of a redemption fine of ₹ 1,60,000/- (Rupees One Lakh Sixty Thousand only), in addition to the applicable Customs duty and other charges.

(iv) I order confiscation of the imported goods described as Rolling Chain, falling under CTH 73151100, having re-determined assessable value of ₹21,97,485/- (Rupees Twenty-One Lakh Ninety-Seven Thousand Four Hundred and Eighty-Five only), under Sections 111(d) and 111(m) of the Customs Act, 1962. I also order confiscation of the excess quantity of 26 Kgs of Rolling Chain, forming part of the total quantity of 9,351 Kgs, under Section 111(l) of the Customs Act, 1962. **However,** I give an option to the importer to redeem the said goods for re-export only on payment of Redemption Fine of ₹ 2,20,000/- (Rupees Two Lakh Twenty Thousand only)

under Section 125 of the Customs Act, 1962, subject to compliance with all other applicable provisions;

(v) I order re-assessment of the goods intended for home consumption under Section 17(4) of the Customs Act, 1962. As per the existing item-wise working for Sr. Nos. 1 to 10 of Table–4, the total duty is ₹5,03,818/- (Rupees Five Lakh Three Thousand Eight Hundred Eighteen Only) against the originally assessed duty of ₹2,74,770/-, yielding differential duty of ₹2,29,048/-.

(vi) I impose a penalty of ₹ 20,000/- (Rupees Twenty Thousand only) upon M/s. Lakshmi Enterprises (IEC: DUOPA7636F) under Section 112(a)(ii) of the Customs Act, 1962.

(vii)I impose a penalty of ₹ 100,000/- (Rupees One Lakh only) upon M/s. Lakshmi Enterprises (IEC: DUOPA7636F) under Section 112(a)(i) of the Customs Act, 1962.

(viii) I impose penalty of ₹ 10,000/- (Rupees Ten Thousand only), on M/s. Lakshmi Enterprises under Section 114AA of the Customs Act, 1962.

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

Digitally signed by Dipakbhai Zala
Date: 04-11-2026 16:40:58

(Dipak Zala)
Additional Commissioner of Customs
Custom House, Mundra

M/s. Lakshmi Enterprises (IEC DUOPA7636F),
10/72-B, Plot No. 74, Ground Floor, Shanker Gali,
Vishwasnagar, Shahdara, Delhi

Copy to:

1. The Deputy/Assistant Commissioner, (SIIB, RRA, TRC, EDI, APSEZ) Customs House, Mundra.
2. Guard File