

 <p style="text-align: center;"><b>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा</b>  <b>OFFICE OF THE PRINCIPAL COMMISSIONER,</b>  <b>CUSTOM HOUSE, MUNDRA</b>          Port User Building (PUB), Mundra (Gujarat – 370421)          ई-मेल/ E-Mail: group4-mundra@gov.in</p>	
<b>A</b> फा .सं /FILE NO.	CUS/APR/ASS/2307/2025-Gr. 4-O/o Pr. Commr-Cus-Mundra
<b>B</b> मूल आदेश सं. ORDER-IN-ORIGINAL NO.	<b>MCH/ADC/ZDC/656/2025-26</b>
<b>C</b> द्वारा पारित किया गया PASSED BY	<b>Dipak Zala</b> <b>Additional Commissioner of Customs</b> <b>Custom House, Mundra</b>
<b>D</b> आदेश की तिथि DATE OF ORDER	17-02-2026
<b>E</b> जारी करने की तिथि DATE OF ISSUE	17-02-2026
<b>F</b> कारण बताओ नोटिस सं एवं तिथि . SCN NUMBER & DATE	SCN No. 114/2025- 26/ADC/ZDC/Gr.4/MCH dated 24.11.2025
<b>G</b> नोटिसी पार्टी / आयातक/NOTICEE/ PARTY/ IMPORTER	M/s Aggarwal Imports (IEC: ABYFA8944N) (5th Floor, Unit No. 505, Plot No.8, New Delhi – 110085)
<b>H</b> डिन सं .DIN NUMBER	<b>20260271MO000000DDF5</b>

1. यह अपील आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।

This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 129A(1) के अंतर्गत प्रपत्र सीए3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

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

**“The Commissioner of Customs (Appeals), Mundra, 4<sup>TH</sup> Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009.”**

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

Appeal shall be filed within sixty days from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5 -/रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए -

Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must accompanied by –

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।

The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paise only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटी/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.
7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (Appeals) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।

An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

### BRIEF FACTS OF THE CASE

As per investigation report No. 136/2025-26 dated 08.10.2025, M/s Aggarwal Imports, (IEC ABYFA8944N) having address at 5th Floor, Unit No. 505, 5th Floor, Manglam Paradise, Plot No. 8, Manglam Place, Sector-3, Rohini, Delhi – 110085 (hereinafter referred to as 'importer' for the sake of brevity) has filed Bill of Entry No. 3609639 dated 31.07.2025 for import of goods declared Anchor Nuts (CTH 73181600) at Mundra Port through their Custom Broker M/s Protocol Logis cs Pvt Ltd under CTH 73181600. Since, CTH 7318 is not covered under Steel Quality Control Order, hence, importer has neither uploaded copy of BIS certificate nor NOC from Ministry of Steel.

Field	Details
Name of the Importer	Aggarwal Imports (5th Floor, Unit No. 505, Plot No., New Delhi – 110085)
IEC No.	ABYFA8944N
Name of Shipper	Tianjin JLHY Imp. & Exp. Co. Ltd., Tangguantun Town, Jinghai District, Tianjin, China
CHA / CB Name & Code	Protocol Logistics Pvt Ltd – Code: AAACE3517DCH001
Container Nos.	DPWU2049336
Description of Goods	Anchor Nuts (CTH 73181600)
Bill of Entry Nos. & Dates	BE No. 3609639 dated 31.07.2025
CFS / Unit Name	M/s. Transworld CFS Pvt. Ltd., Unit-1, Mundra
Assessable Value and duty	Ass. Val. (CIF) Rs. 15,88,317/- Duty Rs. 6,00,143/-

2. M/s Shree Ji Imports filed Bill of Entry No. 3609639 dated 31.07.2025 covering a consignment of Anchor Nuts (CTH 73181600) imported from M/s Tianjin JLHY Import & Export Co. Ltd., Tianjin, China. The said consignment was brought in container DPWU2049336 and arrived at M/s Transworld CFS Pvt. Ltd., Unit-1, Mundra. The consignment was initially examined by the Docks Examination Section (DE). Their observation was as under:

“It is noticed that the said importer has attempted to import ‘Screws’ along with declared cargo i.e. Anchor Nuts. The item ‘Screws’ is not declared in the above Bill of Entry. As per the import policy condition, import of ‘Screws’ is prohibited. However, import is permitted (‘free’) if CIF value is Rs. 129/- or above per kg and subject to fulfilment of Policy Condition Nos. 2 and 3 of CTH 7318. It appears that the importer has not declared item ‘Screws’ in the Bill of Entry to evade the import policy conditions. It thus appears that the importer has attempted to import prohibited goods along with declared goods.”

2.2 It is further observed that the undeclared goods viz. “Drywall Screws” of various types (Zinc Coated and Black Phosphate), recovered in the present consignment, fall under Chapter Heading 7318 of the Customs Tariff and are covered under the Cross Recessed Screws (Quality Control) Order, 2024, issued by the Ministry of Commerce and Industry (Department for Promotion of Industry and Internal Trade) vide Notification S.O. 4099(E) dated 17.09.2024. The said Order mandates that goods specified in the Schedule thereto shall conform to the applicable Indian Standards and bear the Standard Mark (ISI Mark) under a valid licence from the Bureau of Indian Standards (BIS) in accordance with the provisions of the Bureau of Indian Standards Act, 2016 and the BIS (Conformity Assessment) Regulations, 2018.

2.3 As per the Table annexed to the aforesaid Quality Control Order, at Serial No. 12, “Drywall Screws” are covered under Indian Standard IS 18507:2024 – Drywall Screws Specification. Accordingly, import of such screws is permitted only if the overseas manufacturer holds a valid BIS licence for the said standard, and the goods bear the ISI Mark with the corresponding licence number traceable to the manufacturer. The importer is required to declare such details at the time of import and produce documentary proof of compliance for Customs verification.

2.4 In the present case, no BIS licence, Standard Mark, or any Certificate of Conformity as prescribed under the said Quality Control Order has been produced by the importer or found on record in respect of the undeclared “Drywall Screws” detected in the consignment. Consequently, the goods do not conform to the requirements of IS 18507:2024 and their import is in contravention of the provisions of the Cross Recessed Screws (Quality Control) Order, 2024, issued under the BIS Act, 2016.

3. As per Notification No. 55/2023 dated 03.01.2024, issued by the Directorate General of Foreign Trade (DGFT), the import of Screws is prohibited, except where the CIF value is ₹129/- or above per kg and subject to compliance with Policy Condition Nos. 2 and 3 of CTH 7318. In the present case, the importer did not declare the screws in the Bill of

Entry, which indicates an intention to circumvent the prescribed import policy conditions.

### 3.1 Policy Condition No. 2:

All items of Chapter-73 (including screws under CTH 7318) are required to comply with the registration requirement specified in the Policy. Import of screws is subject to compulsory registration under the Steel Import Monitoring System (SIMS); no import of the listed screws may be effected without a valid SIMS registration number. This SIMS registration requirement enables the Government to monitor imports of steel/screws and to ensure compliance with any threshold or QCO conditions attached to the item. Customs will verify SIMS details at the time of clearance.

### 3.2 Policy Condition No. 3 — Paragraph-wise (detailed)

Policy Condition 3 refers to the specific list / annex of HS sub-headings in chapter 7318 covered by the Notification (for example HS codes such as 73181110, 73181190, 73181200, 73181300, 73181400, 73181500 and 73181900 as amended). Importers must check the exact 8-digit ITC(HS) code applicable to their goods. Importers must submit advance information and obtain automatic registration via the SIMS online portal. The registration process includes payment of a registration fee (non-refundable) to obtain an automatic Registration Number. The SIMS registration may be applied not earlier than 60 days before the expected date of arrival of the consignment (i.e., there is a specified advance window for filing). The SIMS Registration Number issued is valid for a fixed period of 75 days from the date of issue (import must occur within that validity). The importer must quote the SIMS Registration Number and the registration expiry date in the Bill of Entry (BOE). Customs will cross-verify the SIMS registration details with the BOE before allowing clearance. Failure to declare/quote the SIMS number in the BOE is a breach of Policy Condition 3. Where the SIMS registration is not obtained, or the SIMS number is not declared in the BOE, the import is considered non-compliant with DGFT policy. Policy Condition 3 must be read with the main notification (Notification No.55/2023) which also prescribes that imports of screws are prohibited unless CIF value is ₹129/- or above per kg (imports below that threshold are not permitted). Any attempt to avoid declaring screws in the BOE — thereby bypassing the SIMS/threshold checks — indicates a deliberate circumvention of Policy Condition 3.

4. Accordingly, in the absence of any BIS certificate, the goods covered under B/E No. 3609639 dated 31.07.2025 were placed on hold by this office to rule out the possibility of misdeclaration or misclassification with a view to bypass the mandatory requirement of BIS certification, as well as the conditions prescribed by DGFT vide Notification No. 55/2023 dated 03.01.2024.

4.1 It therefore appears that the said goods have been imported without being accompanied by a valid BIS licence/certification or being marked with the ISI mark and BIS licence number, in contravention of the conditions prescribed under the BIS Act, 2016, read with the Quality Control Orders issued by the Government of India. Consequently, the said

goods are liable to be treated as 'prohibited' for import into India.

5. The detailed examination was carried out on 26.08.2025 in the presence of Shri Alpesh Prajapati, Operational Executive, Transworld CFS Pvt. Ltd., and Shri Khimsingh B. Manral, G-Card Holder, M/s Protocol Logis cs Pvt. Ltd. The cartons were de-stuffed and segregated with the assistance of labour arranged by the CFS operator.

As per the declaration made in the Bill of Entry, the details of the consignment were as under:

BE No. & Date	Container No.	Goods	Qty (packages)	Gr. Wt. (in KGs)
3609639 dt. 31.07.2025	DPWU2049336	Anchor Nuts (CTH 73181600)	1295 Pkg	27,500

However, upon detailed examination, it was observed that, in addition to the declared goods—Anchor Nuts (CTH 73181600)—the consignment also contained substantial quantities of Drywall Screws of various types, namely Zinc Coated and Black Phosphate Screws, which were not declared in the Bill of Entry. This indicates deliberate concealment by the importer, amounting to misdeclaration and concealment of goods.

As per the Bill of Entry, the consignment was declared as comprising 1,295 packages of Anchor Nuts (CTH 73181600) with a gross weight of 27,500 KGS. However, upon detailed examination, while 1,295 packages were indeed found, these contained not only the declared Anchor Nuts but also substantial quantities of undeclared Drywall Screws (Zinc Coated and Black Phosphate). The total weight of the cargo was approximately 27,787 KGS, whereas a computerized weighment slip provided by the CFS operator recorded the Net Weight as 27,700 KGS.

The item-wise detailed findings of the examination are presented below:

Be. No & Date	3609425 dt. 31.07.2025	Container No.	DPWU2049790	Approx. wt. of Cargo (KGs)
S. No.	Item Name	No. of Cartons	Quantity (in KGs)	
1	Anchor Nut (CTH 73181600)	200	5032	5032
2	Drywall Screws (Nickel Coated)	37	784	784
3	Drywall Screws (Zinc Coated)	279	5976	5976
4	Drywall Screws (Black Phosphate)	779	15995	15995
	<b>Total</b>	<b>1295</b>		<b>27,787</b>

6. Subsequently, the importer filed Bill of Entry No. 3609639 dated

31.07.2025, wherein the goods were declared as “Anchor Nuts.” However, examination revealed that the consignment also included “Drywall Screws” (Nickel Coated, Zinc Coated and Black Phosphate), which are covered under the Cross Recessed Screws (Quality Control) Order, 2024 issued vide S.O. 4099(E) dated 17.09.2024, requiring mandatory compliance with Indian Standard IS 18507:2024 – Drywall Screws – Specification and bearing of the Standard Mark (ISI Mark) under a valid BIS licence in accordance with the provisions of the BIS Act, 2016 and SIMS conditions imposed by DGFT alongwith minimum import price condition (MIP) of Rs. 129/Kg vide Notification No. 55/2023 dated 03rd January, 2024.

7. During the course of inquiry, statement of Shri Vineet Mittal proprietor of M/s. Aggarwal Imports (RUD-1 ), was also recorded on 22.09.2025, wherein, he inter-alia stated that:-

- In respect of the said consignment, the goods were declared as “Anchor Nuts” in the Bill of Entry, whereas it was subsequently found that the consignment also contained a substantial quantity of “Drywall Screws.” The importer has explained that he was unaware of the presence of the screws in the shipment and stated that, based on the documents received from the supplier, the intention was to import only Anchor Nuts, which were accordingly declared in the Bill of Entry.
- He further stated that the packing list and invoice were provided to the CHA based on his understanding of the consignment, and that the value of the Drywall Screws is not within his knowledge since these items were not ordered by him.
- In his statement, he acknowledged that the import of “Screws” is a restricted item under CTH 7318 and is permitted only if the CIF value is ₹129/- or above per kg. He stated that he was aware of this requirement; however, no order for screws had been placed in the present consignment. He clarified that discussions with the supplier regarding possible future imports of screws were ongoing, subject to compliance with all necessary certifications and conditions, which is also evident from his email communication with the supplier dated 23.08.2025.
- He stated that he had not instructed the supplier to pack the undeclared screws and believed it to be a miscommunication at the supplier’s end, which the supplier has admitted and explained in their email (ID: shasha@jlhy.cn).
- When asked about past imports and communications with M/s Tianjin JLHY Imp. & Exp. Co. Ltd., China, he stated that communications are generally conducted telephonically through Indian intermediaries based in China, which is a common practice. Verification of documents is carried out based on the supplier’s invoice and packing list. He further stated that this was his first transaction with this firm, and to the best of his knowledge, there has been no prior business with them.

8. From the above, it is evident that the importer admitted during his statement that the goods imported vide B/E No. 3609639 dated 31.07.2025 included “Screws,” which are restricted under CTH 7318 and permitted only if the CIF value is ₹129/- or above per kg and subject to Policy conditions No. 2 and 3 of this Chapter. He stated that he was aware of this requirement but claimed that no order for screws had been placed in the present consignment. After the consignment was put on hold, the importer shifted responsibility to the supplier, citing miscommunication,

which the supplier admitted in an email (ID: shasha@jlhy.cn).

8.1 Thus, prima facie, it appears that M/s Aggarwal Imports, vide B/E No. 3609639 dated 31.07.2025, attempted to clear "Screws" classifiable under CTH 73181500 by not declaring them in order to bypass restriction under CTH 7318 and permitted only if the CIF value is ₹129/- or above per kg and subject to Policy conditions No. 2 and 3 of this Chapter as per DGFT Notification dated 03rd January, 2024. Considering non-declaration, undervaluation, misclassification, and concealment, the impugned goods appear liable to confiscation under Sections 111(d), 111(l), 111(m) and 111(o) of the Customs Act, 1962.

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

Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "the CVR, 2007") provides the method of valuation. Rule 3(1) of the CVRs, 2007 provides that subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10. Rule 3(4) ibid states that if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007. Whereas, it appears that, transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Whereas, in the present case, it appears that, there is reasonable doubt regarding the truth and accuracy of the declared value as the goods have been found to be mis-declared in terms of quantity, and hence the transaction value appears to be liable to be rejected in terms of Rule 12 of the CVR, 2007. Since the items found with no specification, the valuation of the same could not be determined in terms of Rule 4 to 8 of the CV Rules, ibid. Therefore, valuation of the goods appears liable to be done under residual method of valuation provided under Rule 9 of the CV Rules ibid and accordingly, opinion of the empanelled Chartered Engineer was sought for determination of the value of the imported goods. The Chartered Engineer vide his Report No. – AYK: VAL: 02618:2025 Date: 08/08/2025 (RUD-2), has suggested the value of the imported goods as 42385.4/- USD (FOB) as detailed in Table-C below:-

**TABLE-C**

VALUATION TABLE (1 USD= Rs. 86.80)

BE NO. & Date: 3609425 dt. 31.07.2025				Container No. DPWU2049790			
S.No	Item Name	Quantity in Kgs	Per Kgs Unit Market Value Assessed by CE in INR (Approx.)	Total Market Value Assessed by CE in INR (Approx.)	Per Unit Average Market Value Assessed by CE in USD (Approx.)	Total average Market Value Assessed by CE in USD (Approx.)	Total Market Value Assessed by CE in INR (Approx.)
1	Anchor	5032	52.08	2,62,067	0.6	3019.2	2,62,067

	Nuts						
2	Drywall Screws Screw (Zinc Coated)	22755	150	34,13,250	1.73	39366.15	34,13,250
	Total	27,787		36,75,317		42,385.4	36,75,317

9.1 Assessable Value of the goods imported by the importer comes to Rs. 38,88,848/- as follows:-

Exchange Rate: 1 USD= Rs. 86.80							
S. No.	Item Name	Quantity (in KGs)	Unit Average Market Value Assessed by CE in USD (FOB) (Approx.)	Total Average Market Value Assessed by CE in USD (FOB) (Approx.)	Freight in USD	Insurance 1.125%	CIF (in Rs.)
1	Anchor Nuts	5032	0.6	3019.2	1940	477	34,47,349
2	Drywall Screws (Zinc Coated)	22755	1.73	39366.15			
	Total	27787		42,385.4	1940	477	38,88,848

9.2 The duty on the imported goods is required to be re-determined on the basis of re determined assessable value and applicable rates. The applicable Customs Duty on the imported goods comes to Rs. 14,93,152/- instead of Rs. 5,98,307/- as self-assessed by the importer in the said BE, thus Customs duty amounting to Rs. 14,93,152/- calculated in Table-E as under:-

**TABLE-E**

Particulars	Amount (in Rs.)
BCD @15% of CIF	5,83,327/-
SWS @ 10% of BCD	58,333/-
IGST @18% of (CIF+BCD+SWS)	8,51,492/-
<b>Total Duty</b>	<b>14,93,152/-</b>

## 10. Legal Provisions:-

**10.1 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;

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

**10.3 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;

**10.4 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 <sup>2 2</sup> [any owner, beneficial owner] or any person holding himself out to be the importer;

**10.5 Section 2(33)** "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;

**10.6 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.

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

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

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

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

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

section (1) of section 54;

(o) any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer;

**10.8 Section 112** Penalty for improper importation of goods, etc.—

Any person,-

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

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

shall be liable,-

- i. in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding the value of the goods or five thousand rupees, whichever is the greater;
- ii. in the case of dutiable goods, other than prohibited goods, subject to the provisions of Section 114A, to a penalty not exceeding ten per cent of the duty sought to be evaded or five thousand rupees, whichever is higher.

Provided that where such duty as determined under sub-Section (8) of Section 28 and the interest payable thereon under Section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this Section shall be twenty-five per cent. of the penalty so determined;]

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

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

**10.10 Section 124** prescribes the mandatory issuance of show cause notice before confiscation of goods, which read as under:

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

a. is given a notice in writing with the prior approval of the officer of Customs not below the rank of an Assistant Commissioner of Customs, informing him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;

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

c. is given a reasonable opportunity of being heard in the matter:

Provided that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned be oral.

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

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

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

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

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

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

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

**10.12 Section 46.** Entry of goods on importation.-

(1) The importer of any goods, other than goods intended for transit or transshipment, shall make entry thereof by presenting electronically on the customs automated system to the proper officer a bill of entry for home consumption or warehousing in such form and manner as may be prescribed:

In terms of Section 46 (4) of the Customs Act, 1962, the importers are required to make a declaration as to the truth of the contents of the Bills of Entry submitted for assessment of Customs duty. In the present

case, it appears that importer has tried to clear goods i.e. undeclared Drywall Screws (Zinc Coated and Black Phosphate) by way of undeclared in order to bypass mandatory restriction as per Notification No. 55/2023 dated 03.01.2024, issued by the Directorate General of Foreign Trade (DGFT), the import of Screws is prohibited, except where the CIF value is ₹129/- or above per kg and subject to compliance with Policy Condition Nos. 2 and 3 of CTH 7318 imposed by vide circular dated 3rd January, 2024. Hence, it appears that the importer had knowingly involved themselves in the suppression of the material facts and also indulged in mis statement of facts. The importer by their acts of omission and commission renders imported goods liable for confiscation under Section 111(d), 111(l), 111(m) and 111(o) of the Customs Act, 1962. The said acts of omission and commission on the part of the M/s Shri Ji Import and Exports Private Limited have rendered themselves liable for penalty under the provisions of Section 112(a) of the Customs Act, 1962.

## **11. Summary of Investigations Conducted :**

**11.1** M/s Shri Ji Import and Exports Private Limited filed Bill of Entry No. 3609639 dated 31.07.2025 declaring the import of “Anchor Nuts” (CTH 73181600) from M/s Tianjin JLHY Import & Export Co. Ltd., China. The consignment, brought in container No. DPWU2049336 and examined at M/s Transworld CFS Pvt. Ltd., revealed that, apart from the declared 1,295 packages of Anchor Nuts (gross weight 27,500 KGS), the cargo also contained substantial quantities of undeclared Drywall Screws of Zinc Coated and Black Phosphate coated. The actual gross weight of the cargo was found to be approximately 27,787 KGS. The presence of such undeclared goods, over and above the declared Anchor Nuts, clearly indicates deliberate misdeclaration and concealment on the part of the importer.

**11.2** During inquiry on 22.09.2025, Shri Vineet Mittal, Proprietor of M/s Aggarwal Imports, stated that the consignment was declared as “Anchor Nuts” on the basis of supplier’s documents, though it was subsequently found to contain undeclared “Drywall Screws.” He claimed no knowledge of the screws, contending that invoices and packing lists were provided to the CHA as received and that no order for screws had been placed. He admitted that screws under CTH 7318 are restricted unless valued at ₹129/- or above per kg, but attributed their presence to supplier miscommunication, which the supplier later acknowledged by email. He further stated that this was his first transaction with M/s Tianjin JLHY Imp. & Exp. Co. Ltd., with communications routed mainly through Indian intermediaries and documents relied upon as provided by the supplier.

**11.3** Examination has revealed that the undeclared “Drywall Screws” (Zinc Coated and Black Phosphate) found in the consignment fall under CTH 7318 and are covered under the Cross Recessed Screws (Quality Control) Order, 2024, issued vide S.O. 4099(E) dated 17.09.2024 by the Ministry of Commerce and Industry (Department for Promotion of Industry and Internal Trade) under the provisions of the Bureau of Indian Standards Act, 2016. As per the said Order, “Drywall Screws” are specified at Serial No. 12 of the Table, corresponding to Indian Standard IS 18507:2024 – Drywall Screws – Specification, and their import is permitted

only if they conform to the said standard and bear the Standard Mark (ISI mark) under a valid BIS licence issued to the manufacturer. No BIS licence, certification, or ISI marking has been produced or found on the goods. Further, as per DGFT Notification No. 55/2023 dated 03.01.2024, import of screws is prohibited unless valued at ₹129/- or above per kg and subject to mandatory Steel Import Monitoring System (SIMS) registration. Thus, the undeclared screws are liable to be treated as prohibited goods, having been imported in contravention of the BIS Quality Control Order requirements and the DGFT import policy conditions.

**11.4** Thus, by acts of omission and commission on the part of the importer, it appears that the importer has contravened the provisions of Section 46 and Section 17 of the Customs Act, 1962, in as much as they failed to make a true, correct, and complete declaration in the Bill of Entry and also failed to correctly assess the duty liability on the imported goods. Accordingly, the goods imported by the importer appear liable to confiscation under Section 111(d), 111(l), 111(m) and Section 111(o) of the Customs Act, 1962, and the importer, M/s. Aggarwal Imports, has rendered themselves liable to penalty under Section 112(a) of the Customs Act, 1962. Further, since the importer has filed the Bill of Entry on the basis of Bill of Lading, invoices, and packing lists containing incorrect and false material particulars regarding the quantity and description of the goods, the importer also appears to have rendered themselves liable to penalty under Section 114AA of the Customs Act, 1962.

**12.** In this respect, M/s Aggarwal Imports, situated at 5th Floor, Unit No. 505, Plot No., New Delhi – 110085 was hereby called upon to show cause to the Additional Commissioner of Customs (Import), Customs House, Mundra, Having office at PUB Building, 5B, Mundra (Kutch) Gujarat 370421, as to why:-

i. The classification of the undeclared goods i.e. Screws should not be classified under CTH 73181500 imported by the importer vide Bill of Entry No. 3609639 dated 31.07.2025;

ii. The assessable value of these imported goods mis-declared/declared imported goods covered under Bill of Entry no. 3609905 dated 31.07.2025 should not be re-determined as Rs. 38,88,848/- (instead of Rs. 15,88,317/- as declared in the BE) under the Rule 9 of the Customs Valuation (Determination of value of imported goods) Rules 2007;

iii. The total Customs duty involved in the imported goods as Rs, **14,93,152/-** (instead of 6,00,143/- as declared in the BE) should not be re-determined and the said Bill of Entry re-assessed under Section 17(4) of the Customs Act, 1962;

iv. The imported goods have been imported by way of mis-declaration, are covered under BIS QCO requirements and DGFT import Policy conditions, the same are rendered as “prohibited” for import into India, should not be confiscated under Section 111(d), 111(l), 111(m) and 111(o) of the Customs Act, 1962;

v. Penalty should not be imposed upon M/s Shri Ji Import and Exports Private Limited under Section 112(a) and 114AA of the Customs Act, 1962.

### Discussion and Findings:

13. I have carefully gone through the records of the case, SCN dated 21.11.2025, investigation report dated 08.10.2025, valuation report by empanelled Chartered Engineer and applicable provisions of law. The importer M/s Shree Ji Imports vide letter dated 28.11.2025 has accepted the charges of Show Cause Notice. Thus, the principles of Natural Justice as provided in Section 122a of the Customs Act, 1962 have been complied with and I proceed to decide the case on the basis of documentary evidence available on records. The issues to be decided by me are whether:

i. the classification of the undeclared goods i.e. Screws are liable to be classified under CTH 73181500 imported by the importer vide Bill of Entry No. 3609639 dated 31.07.2025;

ii. The assessable value of these mis-declared/declared imported goods covered under Bill of Entry No. 3609639 dated 31.07.2025 is liable to be re-determined as Rs. 38,88,848/- (instead of Rs. 15,88,317/- as declared in the BE) under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962;

iii. Total Customs duty involved in the imported goods comes to Rs. **14,93,152/** (Rupees Twelve Lakh Ninety Three Thousand One Hundred and Fifty Two only) instead of Rs. 6,00,143/- (Rupees six Lakh One Hundred and Forty Three only) as declared in the BE; and the said Bill of Entry No. 3609639 dated 31.07.2025 is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962;

iv. The imported goods have been imported by way of mis-declaration are covered under BIS QCO requirements and DGFT import policy conditions, the same are rendered as 'prohibited goods' for import into India. Accordingly, liable for confiscation under Section 111(d), Section 111(l) and Section 111(o) of the Customs Act, 1962;

v. The importer M/s. Shree Ji Imports is liable for Penalty under Section 112(a) and 114AA of the Customs Act, 1962.

14. Regarding the first issue, the classification of the undeclared goods i.e. Screws are liable to be classified under CTH 73181500 imported by the importer vide Bill of Entry No. 3609639 dated 31.07.2025, I find that screws are rightly classified under CTH 7318. CTH 7318 is specifically for the "Screws, bolts, nuts, coach-screws, screw hooks, rivets, cotter, cotter pins, washers (including spring washers) and similar articles". The imported undeclared item is Drywall Screws (zinc coated) which is rightly classified under CTH 73181500.

15. Regarding the second issue, I find that M/s Shree Ji Imports, vide B/E No. 3609639 dated 31.07.2025, attempted to clear "Screws" classifiable under CTH 73181500 by not declaring them in order to bypass restriction under CTH 7318 and permitted only if the CIF value is ₹129/- or above per kg and subject to Policy conditions No. 2 and 3 of this Chapter as per

DGFT Notification dated 03rd January, 2024. In view of above, the declared value of the imported goods is liable to be rejected and re-determined.

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

17. Whereas, in the present case, it appears that, there is reasonable doubt regarding the truth and accuracy of the declared value as the goods have been found to be mis-declared in terms of quantity and description, and hence the transaction value appears to be liable to be rejected in terms of Rule 12 of the CVR, 2007. Since the items found with no specification, the valuation of the same could not be determined in terms of Rule 4 to 8 of the CV Rules, *ibid*. Therefore, valuation of the goods appears liable to be done under residual method of valuation provided under Rule 9 of the CV Rules *ibid* and accordingly, opinion of the empanelled Chartered Engineer was sought for determination of the value of the imported goods. The Chartered Engineer vide his Report No. – AYK: VAL: 02618:2025 Date: 08/08/2025 (RUD-2). Vide the said valuation report, the value of the goods was re-determined as Rs. 38,88,848/-, in contrast of Rs. 15,88,317/- as declared in the Bill of Entry. It is also to notice that, the value of the screw has been re-determined by the Chartered Engineer as Rs. 130/Kg, which is above the minimum import price of Screw of Rs. 129/Kg as per Notification 55/2023 dated 03.01.2024.

18. Regarding the third issue, I find that the duty on the imported goods is required to be re-determined on the basis of re determined assessable value and applicable rates. The applicable Customs Duty on the imported goods comes to Rs. 14,93,152/- on the re-determined value of Rs. 38,88,848/-, instead of Rs. 6,00,143/- on the declared value of Rs. 15,88,317/- as self-assessed by the importer in the said Bill of Entry. In respect of this, the self assessment done by the importer is liable to be rejected and Bill of Entry No. 3609639 dated 31.07.2025 needs to re-assessed with the re-determined value for correct duty under Section 17(4) of the Customs Act, 1962.

19. Regarding the fourth issue, I find that there are two separate issues involved in the prohibition of the goods imported by the way of mis-declaration i.e. BIS QCO requirements and DGFT import policy i.e. as per notification 55/2023 dated 03.01.2024 through which screw with CIF value below Rs. 129/Kg is prohibited.

20. BIS on screw was mandatory as per Cross Recessed Screws (Quality Control) Order, 2024 dated 17.09.2024. As per said Quality Control Order, import of such screw is permitted only if the overseas manufacturer holds

a valid BIS licence for the said standard, and the goods bear the ISI mark with the corresponding licence number traceable to the manufacturer. The date of implementation of the said Quality Control order was six months from the date of publication of the QCO. Since, no any BIS certificate/licence was provided by the importer. However, In this respect, there is another Cross Recessed Screws (Quality Control) Order, 2025 dated 27.08.2025. This Quality Control Order is issued in suppression of Cross Recessed Screws (Quality Control Order) 2024, dated 19.09.2024 and the re-determined date of implementation of this order is 01.11.2025. In view of this, it is concluded that the screws are not prohibited before 01.11.2025 as per Cross Recessed Screws (Quality Control) Order, 2025 dated 27.08.2025.

21. However, on the matter of prohibition of undeclared screw as per notification 55/2023 dated 03.01.2024, I find import policy for the screw is "prohibited" and however, "free" if the CIF value is more than Rs. 129 per kg. At the time of import, screws were undeclared and subsequently under-valued at the rate lower than Rs. 129 per Kg. Therefore, in view of this, goods are prohibited according to Notification 55/2023 dated 03.01.2024 and acts of omission and commission by importer, rendered the goods liable for confiscation under Section 111(d), Section 111(l) and Section 111(o) of the Customs Act, 1962.

22. During the course of re-determination of the value of the goods by the impanelled chartered engineer, the threshold price of Rs. 129 per Kg was kept in cognisance and screw were valued at Rs. 130 per kg. Hence, in view of above and in terms of BIS and threshold price of Rs. 129 per Kg. as per Notification 55/2023 dated 03.01.2024, I find that screws are fit for importation.

23. In addition to the above, I find that the remaining goods i.e. Anchor Nuts were mis-declared in terms of quantity. However, there is no any prohibition or restriction on the goods, except SIMS registration which was duly submitted by the importer. Accordingly, goods are liable for confiscation under Section 111(l) and 111(m) of the customs Act, 1962. However, Chartered Engineer has not changed the value of the goods, therefore there is no any non/short levy of Customs Duty. Hence, there is no any differential duty on the declared goods i.e. Anchor Nuts.

24. On the Fifth issue, I find that the importer, M/s Aggarwal Imports has attempted to import the prohibited goods by the way of mis-declaration and grossly under-valued. The presence of such undeclared goods, over and above the declared anchor Nuts, clearly indicates deliberate misdeclaration and concealment on the part of importer. The importer has intentionally mis-declared the goods which leads to the confiscation of the goods under Section 111(d), 111(l), 111(m) and 111(o) of the Customs Act, 1962, rendered the importer themselves liable for penalty under Section 112(a)(i). For the remaining goods i.e. Anchor Nuts, which were mis-declared in terms of value and quantity by the importer, leading to the confiscation of said goods under Section 111(l) and 111(m), rendered the importer liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. Further, I find that importer, M/s Shri Ji Import and Exports Private Limited, has deliberately imported prohibited goods by mis-

declaring and under valuing the goods, which rendered them also liable for the penalty under Section 114AA of the Customs Act, 1962.

25. In view of the facts above, I pass the following order:

**ORDER**

(i) I order to reject the declared total assessable value of goods as Rs. 15,88,317/-, quantity and classification of the Bill of Entry No. 3609639 dated 31.07.2025 and order to redetermine the value of the goods as Rs. 38,88,848/-.

(ii) I order to classify the undeclared goods i.e. screw under CTH 73181500 with the respective quantity and value and re-assess the Bill of Entry 3609639 dated 31.07.2025 under Section 17(4) of the Customs Act, 1962.

(iii) I order to confiscate the imported undeclared goods i.e Drywall Screw (Zinc Coated) of re-determined assessable value of Rs. 35,93,364/- under Section 111(d), Section 111(l), Section 111(m) and Section 111(o) of the Customs Act, 1962. However, I give the importer an option under the provision of Section 125(1) of the Customs Act, 1962, to redeem the said goods on payment of redemption fine of **Rs. 3,50,000/- (Rs. Three Lakh Fifty Thousand only)**.

(iv) I order to confiscate the imported declared goods i.e Anchor Nuts of re-determined assessable value of Rs. 2,95,484/- under Section 111(l) and Section 111(m) of the Customs Act, 1962. However, I give the importer an option under the provision of Section 125(1) of the Customs Act, 1962, to redeem the said goods on payment of redemption fine of **Rs. 29,000/- (Rs. Twenty Nine Thousand only)**.

(v) I Impose a penalty of **Rs. 3,00,000/- (Rs. Three Lakh only)** for the goods i.e. Drywall Screw on M/s Aggarwal Imports u/s 112(a)(i) of the Customs Act, 1962.

(v) I Impose a penalty of **Rs. 5,000/- (Rs. Five thousand only)** for the declared goods i.e. Anchor Nuts on M/s Aggarwal Imports u/s 112(a)(ii) of the Customs Act, 1962.

(vi) I impose a penalty of **Rs. 50,000/- (Rs. Fifty Thousand only)** on /s Aggarwal Imports u/s Section 114AA of the Customs Act, 1962.

26. This Order-in-Original is issued without prejudice to any other action that may be taken against the importer under the Customs Act, 1962 or any other law for the time being in force.

Additional Commissioner of Customs  
Import Assessment  
Customs house, Mundra

To,

M/s Aggarwal Imports (IEC ABYFA8944N)

5<sup>th</sup> Floor, Unit no. 505, Plot No.8, New Delhi, 110085

Copy to:

1. The Asst./Dy. Commissioner of Customs (Review Cell), CH, Mundra.
2. The Asst./Dy. Commissioner of Customs (EDI), CH, Mundra.
3. The Asst./Dy. Commissioner of Customs (TRC), CH, Mundra.
4. Office Copy.