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
E-mail id- group4-mundra@gov.in

A	**FILE NO.** **फ़ाइल संख्या**	CUS/SIIB/INT/877/2026
B	**OIO NO.** **आदेश संख्या**	MCH/ZDC/ADC/430/2026-27
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**	22/10/2026
E	**DATE OF ISSUE** **जारी करने की तिथि**	22/10/2026
F	**SCN No. & Date** **कारण बताओ नोटिस क्रमांक**	Waiver requested by email dated 06.10.2026 (subject to Section 124)
G	**NOTICEE/ PARTY/ IMPORTER** **नोटिसकर्ता/पार्टी/आयातक**	M/s. RENEW ENTERPRISES (IEC BYTPA2474E), 1st, 2nd and 3rd Floor, 6500/2A, Gali Hanuman Mandir, Pahar Ganj, Nabi Karim Road, Delhi-110055

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

2. यदि कोई व्यक्ति इस आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 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 मंजिल, 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 60 दिन के भीतर दाखिल की जानी चाहिए।

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

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

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

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

(ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं°-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

This copy of the order or any other copy of this order, which must bear a Court Fee Stamp of ₹ 5/- (Rupees Five only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

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

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

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

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

BRIEF FACTS OF THE CASE

M/s. Renew Enterprises (IEC BYTPA2474E), 1st, 2nd and 3rd Floor, 6500/2A, Gali Hanuman Mandir, Pahar Ganj, Nabi Karim Road, Delhi-110055 (hereinafter referred to as the "importer"), filed Z-Type Bill of Entry No. 3122079 dated 13.08.2026 for goods imported from China, supplied by M/s. Shenghongrui (Tianjin) Import and Export Trading Co., Ltd., under Invoice No. TJZGR2026-229-2 dated 30.06.2026 and Bill of Lading No. MEDUXP700859 dated 06.07.2026. Container No. GAOU2456412 was received at M/s. Shoolin Trade Link LLP, SEZ, Mundra. The importer declared 20,160 Kgs of Iron Pin under CTH 73170091, in 1,120 bags, assessable value ₹9,68,184/- and duty ₹2,99,943/-, as detailed in Table-1 below.

TABLE-1

Sr. No.	Declared CTH	Declared Description	Qty.	UQC	Declared Assessable Value (Rs.)	Declared Duty (Rs.)
1	73170091	Iron Pin	20,160	KGS	9,68,184	2,99,943
TOTAL			**20,160**		**9,68,184**	**2,99,943**

2. ACTION TAKEN - EXAMINATION FINDINGS

The officers of SIIB, Custom House, Mundra, examined the goods under Panchnama dated 11.09.2026 at M/s. Shoolin Trade Link LLP, SEZ, Mundra, in the presence of the authorised representative and independent Panch witnesses. The goods were presented from Warehouse No. 1. On physical verification, 1,120 bags containing 20,844 Kgs of Iron Nails were found against 20,160 Kgs of Iron Pins declared. The quantity found was in excess by 684 Kgs.

TABLE-2

Sr. No.	Declared Description	Declared HSN	Goods Found on Examination	Declared Weight (Kg)	Examined Weight (Kg)	Differential Weight (Kg)

1	Iron Pin	73170091	Iron Nails	20,160	20,844	684
	TOTAL			**20,160**	**20,844**	**684**

The examination thus revealed that against 20,160 Kgs of Iron Pins declared in the Bill of Entry under CTH 73170091, 20,844 Kgs of Iron Nails were actually found, resulting in an excess quantity of 684 Kgs. Further, the goods physically found were Iron Nails instead of the declared Iron Pins, classifiable under CTH 73170019 as proposed in the Investigation Report. The goods therefore materially differed from the declarations made in the Bill of Entry in respect of description, classification and quantity.

3. RE-DETERMINED DESCRIPTION, CLASSIFICATION AND QUANTITY OF THE GOODS

The importer had declared Iron Pin under CTH 73170091, which covers staples other than in strips and drawing pins. SIIB identified the goods as Iron Nails and proposed CTH 73170019 (other nails), with examined quantity 20,844 Kgs. Since CTH 73170013 specifically covers wire nails, The comparative details are shown in Table-3.

TABLE-3

Sr.	Declared Description	Declared HSN	Declared Weight in (Kg)	Goods found on examination	HSN of the Goods found on examination	Actual Weight (Kg)
1	Iron Pin	73170091	20,160	Iron Nails	73170019	20,844
				Excess		**684**
				TOTAL		**20,844**

4. INVESTIGATIONS CONDUCTED

4. Based on the physical examination, the imported goods were found to have discrepancies in description, classification and quantity vis-à-vis the declarations made in the Bill of Entry. Against the declared quantity of 20,160 Kgs of Iron Pins under CTH 73170091, a total quantity of 20,844 Kgs of Iron Nails was actually found, resulting in an excess quantity of 684 Kgs. The discrepancy in description, classification and quantity had a direct bearing upon classification, valuation, assessment of duty and policy compliance. In view of these discrepancies, and in order to ascertain the correct assessable value of the imported goods in accordance with Section 14 of the Customs Act, 1962 read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, an independent valuation was obtained from an empanelled Chartered Engineer and Government-approved Valuer.

Rejection of Declared Value & Redetermination of Assessable Value:

Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 provides that, subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with Rule 10. Where the value cannot be determined under Rule 3, it is required to be determined sequentially through Rules 4 to 9. In the present case, the material discrepancies in the description, classification and quantity of the goods created reasonable doubt regarding the truth and accuracy of the declared value and, therefore, the declared value appeared liable to rejection under Rule 12.

As contemporaneous import data of identical or similar goods of matching quality and specifications was not available and requisite data for determination under the deductive or computed value methods was also not available, the value was proposed to be determined under Rule 9 of the CVR, 2007. Er. Ajayrajsinh Baldevsinh Jhala, Customs-empanelled Chartered Engineer and Government-approved Valuer, examined the imported goods and submitted Valuation Report Ref. No. ABJ:INSP:CE:MUN:SIIB:26-27:73 dated 25.09.2026. The valuation was reported as under:

TABLE-4

S. No.	Description of Goods	Quantity as per BE (Kg)	Quantity actually found (Kg)	Declared CIF Unit Price (USD/Kg)	CE CIF Unit Value (USD/Kg)	Value as per BE (₹)	Value as per CE (₹)
1	Iron Nails	20,160	20,844	0.500	0.550	9,68,184	11,01,136
TOTAL		**20,160**	**20,844**	**—**	**—**	**9,68,184**	**11,01,136**

Accordingly, the declared assessable value of **₹9,68,184/-** appeared liable to rejection under Rule 12 of the CVR, 2007 and the assessable value of the cargo appeared liable to be re-determined as **₹11,01,136/- (Rupees Eleven Lakh One Thousand One Hundred and Thirty-Six only)** under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962

5. IMPORTABILITY AND POLICY COMPLIANCE

5. The examination revealed 20,844 Kgs of Iron Nails, classifiable under CTH 73170019, against the declared quantity of 20,160 Kgs of Iron Pins under CTH 73170091, resulting in an excess quantity of 684 Kgs. As recorded in Investigation Report No. 188/2026-27, import of the said goods was subject to compliance with the Steel Import Monitoring System (SIMS) registration requirements. However, the importer had initially obtained SIMS Registration No. MOSSIMS120826648296 dated 12.08.2026 for Iron Pins under CTH 73170091, whereas the goods actually found were Iron Nails falling under CTH 73170019. Subsequently, the importer obtained SIMS Registration No. MOSSIMS250926698157 dated 25.09.2026 for Iron Nails under CTH 73170019, after filing the Bill of Entry dated 13.08.2026. Thus, the importer had not furnished the corresponding SIMS registration for the actual description and classification of the imported goods at the time of filing the Bill of Entry. The investigation therefore proposed that the said goods be examined for liability to confiscation under Section 111(d) of the Customs Act, 1962 for non-compliance with the applicable SIMS requirements and under Sections 111(l) and 111(m) of

the Customs Act, 1962 for excess quantity and misdeclaration of description, classification and quantity.

6. RE-DETERMINATION OF APPLICABLE DUTY

6. Based on the re-determined description, classification, quantity and assessable value, the applicable duty on the imported goods was re-calculated by the investigating authority. The total duty was re-determined at **₹3,41,132/-** as against the declared duty of **₹2,99,943/-**, resulting in differential duty of **₹41,189/-**.

TABLE-5

S. No.	Description of Goods	Quantity actually found (Kg)	CE CIF Unit Value (USD/Kg)	Value as per BE (₹)	Value as per CE (₹)	BCD	SWS @10% of BCD	Assessable Value for IGST Calculation	IGST @18%	Total Duty to be Paid
1	Iron Pin / Iron Nails	20,844	0.550	₹9,68,184	₹11,01,136	₹1,10,114	₹11,011	₹12,22,261	₹2,20,007	₹3,41,132
TOTAL		**20,844**	**—**	**₹9,68,184**	**₹11,01,136**	**₹1,10,114**	**₹11,011**	**₹12,22,261**		

Accordingly, the total Customs duty payable on the imported goods, having a re-determined assessable value of ₹11,01,136/-, worked out to ₹3,41,132/- as against the duty of ₹2,99,943/- declared and assessed in the Bill of Entry No. 3122079 dated 13.08.2026. Thus, differential Customs duty amounting to **₹41,189/- (Rupees Forty-One Thousand One Hundred and Eighty-Nine only)** appeared recoverable from M/s Renew Enterprises under the applicable provisions of the Customs Act, 1962, along with applicable interest, if any.

7. OUTCOME OF THE INVESTIGATION

7. The investigation conducted by SIIB, Customs House, Mundra revealed that the consignment imported by **M/s. Renew Enterprises** under Z-Type Bill of Entry No. **3122079 dated 13.08.2026** contained material discrepancies in

description, classification and quantity. Against 20,160 Kgs of Iron Pins declared under CTH 73170091, 20,844 Kgs of Iron Nails, classifiable under CTH 73170019, were actually found, resulting in an excess quantity of 684 Kgs. The total physical quantity was 20,844 Kgs against the declared net quantity of 20,160 Kgs. Thus, the entire consignment was found to be misdeclared in respect of description and classification, besides the excess quantity detected during examination.

Valuation of the Goods: The declared assessable value of ₹9,68,184/- was proposed to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and the assessable value was re-determined as ₹11,01,136/- under Rule 9 of the said Rules on the basis of the Chartered Engineer's Valuation Report Ref. No. ABJ:INSP:CE:MUN:SIIB:26-27:73 dated 25.09.2026. Consequently, the total Customs duty was re-determined at ₹3,41,132/- against the declared duty of ₹2,99,943/-, resulting in differential duty of ₹41,189/-.

Confiscation of Goods and Penal Action: The entire quantity of **20,844 Kgs of Iron Nails, having a re-determined assessable value of ₹11,01,136/-**, was considered liable to confiscation under **Section 111(m) of the Customs Act, 1962**, on account of mis-declaration of description and classification of the imported goods vis-à-vis the declarations made in the Bill of Entry. The investigation also revealed that the importer had initially obtained SIMS registration for Iron Pins under CTH 73170091 instead of Iron Nails under CTH 73170019 and subsequently obtained the corresponding SIMS registration after filing the Bill of Entry. Accordingly, the applicability of Section 111(d) of the Customs Act, 1962 is also required to be examined in light of the applicable import policy provisions. Thus, the **total quantity of 20,844 Kgs of Iron Nails, valued at ₹11,01,136/-, was proposed for confiscation**, principally under Section 111(m), with Section 111(l) additionally applicable to the excess quantity of 684 Kgs. The importer also appeared liable to penal action under Sections 112(a) and 114AA of the Customs Act, 1962.

8. RELEVANT LEGAL PROVISIONS

(A) RELEVANT PROVISIONS OF 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:

(B) 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.

C. 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.

9. WAIVER OF NOTICE AND PERSONAL HEARING

9. The importer, by email dated 06.10.2026 as recorded in the IR, accepted the Chartered Engineer valuation and requested waiver of show cause notice and personal hearing. The request is subject to Section 124 of the Customs Act, 1962; acceptance of valuation does not automatically constitute admission of every alleged contravention.

10. In view of the above facts, it appeared that: -

(i) The declared description, classification, quantity and value of the goods in Z-Type Bill of Entry No. **3122079 dated 13.08.2026**, filed by **M/s. Renew Enterprises**, are liable to be rejected/re-determined to the extent of the discrepancies found during examination. Against the declared quantity of 20,160 Kgs of Iron Pins under CTH 73170091, a total quantity of 20,844 Kgs of Iron Nails, classifiable under CTH 73170019, was actually found, resulting in an excess quantity of 684 Kgs;

(ii) The declared assessable value of **₹9,68,184/-** is liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determined as **₹11,01,136/-** under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962, as detailed in Table-4 above;

(iii) The entire quantity of **20,844 Kgs of Iron Nails**, having a re-determined assessable value of **₹11,01,136/-**, was found to be misdeclared in respect of

description and classification, inasmuch as the importer had declared the goods as Iron Pins under CTH 73170091, whereas the goods actually found on physical examination were Iron Nails, classifiable under CTH 73170019. Consequently, the entire consignment of 20,844 Kgs of Iron Nails, valued at ₹11,01,136/-, appeared liable to confiscation under **Section 111(m) of the Customs Act, 1962**;

(iv) The excess quantity of **684 Kgs of Iron Nails**, found over and above the declared quantity of 20,160 Kgs, was not declared in the Bill of Entry and therefore appeared liable to confiscation under **Sections 111(l) and 111(m) of the Customs Act, 1962**.

(v) The importer had initially obtained SIMS Registration No. **MOSSIMS120826648296 dated 12.08.2026** for Iron Pins under CTH 73170091, whereas the goods actually imported were Iron Nails under CTH 73170019. The importer subsequently obtained SIMS Registration No. **MOSSIMS250926698157 dated 25.09.2026** for the actual description, classification and quantity of the imported goods. Thus, the applicability of **Section 111(d) of the Customs Act, 1962** was required to be examined with reference to the relevant import policy provisions and the validity of the subsequent SIMS registration;

(vi) The total Customs duty payable on the re-determined assessable value of ₹11,01,136/- works out to **₹3,41,132/-**, as against the declared duty of **₹2,99,943/-**. Accordingly, the **differential Customs duty of ₹41,189/- (Rupees Forty-One Thousand One Hundred and Eighty-Nine only)** appeared recoverable from the importer under the applicable provisions of the Customs Act, 1962; and

(vii) The importer appeared liable to penal action under **Section 112(a) of the Customs Act, 1962 and Section 114AA of the Customs Act, 1962**, on account of the acts or omissions rendering the imported goods liable to confiscation.

WAIVER OF SHOW CAUSE NOTICE AND PERSONAL HEARING

11. The importer, vide email dated 06.10.2026, accepted the suggested valuation and requested waiver of show cause notice and personal hearing. Such waiver may be considered only to the extent legally permissible and demonstrably informed, having regard to the allegations of confiscation and penalties.

DISCUSSION AND FINDINGS

12. I have carefully gone through the records of the case, SIIB Investigation Report No. 188/2026-27, Bill of Entry No. 3122079 dated 13.08.2026, Panchnama dated 11.09.2026, Chartered Engineer opinion and SIMS records. The issues arising for determination are:

(i) First issue: Whether the description, classification and quantity are liable to re-determination as Iron Nails, CTH 73170019, 20,844 Kgs as per the physical examination findings.

(ii) Second issue: Whether the declared value ₹9,68,184/- is liable to be rejected under Rule 12 of CVR, 2007 and re-determined as ₹11,01,136/- under Rule 9.

(iii) Third issue: Whether the entire consignment of 20,844 Kgs of Iron Nails, having re-determined assessable value of ₹11,01,136/-, is liable to confiscation under Section 111(m) due to material misdeclaration of description/classification, and whether the excess 684 Kgs additionally falls within Section 111(l).

(iv) Fourth issue: Whether the subject Bill of Entry requires re-assessment under Section 17(4) and whether differential duty of ₹ 41,189/- is payable.

(v) Fifth issue: Whether SIMS requirements were contravened and confiscation under Section 111(m) is attracted.

(vi) Sixth issue: Whether penalties under Sections 112 and 114AA are imposable upon M/s. Renew Enterprises.

13.1 Regarding the first issue, I find that the consignment imported by M/s. Renew Enterprises under Z-Type Bill of Entry No. 3122079 dated 13.08.2026 was subjected to 100% examination by SIIB, Customs House, Mundra, under Panchnama dated 11.09.2026. Against the declared quantity of 20,160 Kgs of Iron Pins under CTH 73170091, a total quantity of 20,844 Kgs of Iron Nails was actually found, resulting in an excess quantity of 684 Kgs. Thus, the actual quantity of goods was 20,844 Kgs against the declared net quantity of 20,160 Kgs.

13.2 I further find that the goods identified during physical examination as Iron Nails were proposed to be classified under CTH 73170019, whereas the importer had declared the goods as Iron Pins under CTH 73170091. The discrepancies in description, classification and quantity are material and have a direct bearing upon the valuation, import policy compliance and assessment of Customs duty. The findings recorded in the Panchnama and Investigation Report establishes that the particulars declared in the Bill of Entry did not correspond with the goods actually found during examination.

13.3 In terms of Section 46 of the Customs Act, 1962, the importer is required to make a true, correct and complete declaration and to ensure accuracy and completeness of the information furnished in the Bill of Entry. I therefore hold that the description, classification and quantity particulars of the impugned goods were not correctly declared and are liable to be amended in accordance with the physical examination findings. Accordingly, the description, classification and quantity of the imported goods are liable to be re-determined as **Iron Nails under CTH 73170019, weighing 20,844 Kgs**.

14.1 Regarding the second issue, I find that the misdeclaration in respect of description, classification and quantity creates reasonable and justifiable doubt regarding the truth and accuracy of the declared transaction value. The nature, description and quantity of the goods are fundamental elements for determination of assessable value.

14.2 The declared assessable value was ₹9,68,184/-, whereas the Chartered Engineer assessed the CIF value of the goods actually found at ₹11,01,136.41/-, rounded to ₹11,01,136/-. The difference of approximately ₹1,32,952/-, read with the physical discrepancies recorded during examination, provides a basis to doubt the truth and accuracy of the declared value.

14.3 In terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, where the proper officer has reason to doubt the truth or accuracy of the declared value, the transaction value may be rejected after due consideration of the material on record and compliance with the prescribed procedure. I find that the discrepancies noticed during examination, coupled with the valuation evidence obtained during investigation, justify examination of the declared value under Rule 12.

14.4 Accordingly, I find that recourse to Rule 9 was appropriate on the basis recorded in the investigation. Er. Ajayrajsinh Baldevsinh Jhala, Chartered Engineer and Government-approved Valuer, examined the goods and, vide Valuation Report Ref. No. ABJ:INSP:CE:MUN:SIIB:26-27:73 dated 25.09.2026, assessed the CIF unit value at USD 0.550 per Kg. Accordingly, the CIF value of 20,844 Kgs of Iron Nails worked out to USD 11,464.20, equivalent to ₹11,01,136/- at the exchange rate of ₹96.05 per USD, rounded to ₹11,01,136/-.

14.5 I also note that the importer, vide email dated 06.10.2026, accepted the Chartered Engineer's valuation and requested waiver of Show Cause Notice and Personal Hearing. The said acceptance has been taken into consideration along with the examination findings and other documentary evidence available on record.

14.6 Therefore, having regard to the discrepancies established during examination, the valuation evidence and the importer's acceptance thereof, I hold that the declared assessable value of **₹9,68,184/-** is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined as **₹11,01,136/-** under Rule 9 thereof read with Section 14 of the Customs Act, 1962.

15.1 Regarding the third issue, I have examined the declaration made in Z-Type Bill of Entry No. 3122079 dated 13.08.2026, the physical examination findings recorded

under Panchnama dated 11.09.2026 and the re-determined valuation. The importer declared **20,160 Kgs of Iron Pins** under CTH 73170091. On examination, **20,844 Kgs of Iron Nails** were actually found. There is, therefore, an excess quantity of **684 Kgs**, besides a discrepancy in the description and classification of the entire imported consignment.

15.2 I further find that the goods physically found during examination were identified as Iron Nails, proposed to be classified under CTH 73170019, whereas the importer had declared them as Iron Pins under CTH 73170091. The discrepancy in description and classification is not confined to the excess quantity of 684 Kgs but relates to the **entire quantity of 20,844 Kgs of Iron Nails** found during examination. I have accordingly considered the liability to confiscation of the entire consignment on account of the incorrect declaration, while separately examining the excess quantity.

15.3 Description, classification and quantity are material particulars of an entry under the Customs Act, 1962. The declared quantity of 20,160 Kgs does not correspond with the actual quantity of 20,844 Kgs established during examination. Further, the declared description and classification do not correspond with the goods actually found. The Chartered Engineer's valuation assigns a re-determined assessable value of **₹11,01,136/-** to the entire quantity of 20,844 Kgs, against the declared assessable value of **₹9,68,184/-** for 20,160 Kgs. I therefore find that the declaration made in the Bill of Entry does not correspond with the imported goods in respect of description, classification, quantity and consequential value.

15.4 Section 111(m) of the Customs Act, 1962 provides for confiscation where goods do not correspond, in respect of value or any other particular, with the entry made under the Act. In the present case, the discrepancy in description and classification attaches to the entire imported consignment and is not restricted merely to the excess quantity detected during examination. The goods to which the incorrect entry relates, and which are available for adjudication, comprise the **entire 20,844 Kgs of Iron Nails actually found**. I accordingly hold that the entire consignment, having a re-determined assessable value of **₹11,01,136/-**, is liable to confiscation under **Section 111(m) of the Customs Act, 1962**.

15.5 I further find that against the declared quantity of 20,160 Kgs, the examination revealed an excess quantity of 684 Kgs of Iron Nails. The said excess quantity was not

included in the Bill of Entry and, therefore, additionally attracts the provisions of Section 111(l) of the Customs Act, 1962. However, since the excess quantity forms part of the total 20,844 Kgs already held liable to confiscation under Section 111(m), its value is included in the total confiscation value of ₹11,01,136/- and is not required to be added separately.

15.6 Therefore, I hold that the **entire quantity of 20,844 Kgs of Iron Nails, having a re-determined assessable value of ₹11,01,136/-, is liable to confiscation under Section 111(m)** of the Customs Act, 1962, and the excess quantity of 684 Kgs additionally attracts Section 111(l) of the said Act.

16.1 Regarding the fourth issue, I find that the importer had filed the subject Bill of Entry under self-assessment in terms of Section 17(1) of the Customs Act, 1962. Examination and investigation established that the goods were not correctly declared in respect of description, classification, quantity and assessable value, resulting in incorrect self-assessment.

16.2 In terms of Section 17(4) of the Customs Act, 1962, where it is found on verification, examination or otherwise that self-assessment has not been done correctly, the proper officer may re-assess the duty leviable on such goods. Accordingly, subject to the legal status of the original assessment and clearance, the subject Bill of Entry requires appropriate re-assessment or other action permissible under the Customs Act, 1962.

16.3 I find that the total Customs duty payable on the re-determined assessable value of ₹11,01,136/- works out to **₹3,41,132/-**, comprising Basic Customs Duty of ₹1,10,114/-, Social Welfare Surcharge of ₹11,011/- and IGST of ₹2,20,007/-. The duty originally declared in the Bill of Entry was ₹2,99,943/-. Consequently, the **differential Customs duty payable works out to ₹41,189/-**.

16.4 Accordingly, I hold that the declared assessment requires correction in accordance with the applicable provisions of the Customs Act, 1962 and that differential Customs duty of **₹41,189/- (Rupees Forty-One Thousand One Hundred and Eighty-Nine only)** is payable by the importer.

17.1 Regarding the fifth issue, I find that the importer was statutorily obliged under Section 46 of the Customs Act, 1962 to declare true, correct and complete particulars of the imported goods and to ensure compliance with the applicable import policy conditions and restrictions.

17.2 The examination established that the importer had declared 20,160 Kgs of Iron Pins under CTH 73170091, whereas 20,844 Kgs of Iron Nails, proposed to be classified under CTH 73170019, were actually found. The investigation further records that the importer had initially obtained SIMS Registration No. MOSSIMS120826648296 dated 12.08.2026 for Iron Pins under CTH 73170091 and a quantity of 20.160 MT.

17.3 I further find that the importer subsequently obtained SIMS Registration No. MOSSIMS250926698157 dated 25.09.2026 for Iron Nails under CTH 73170019 and a quantity of 20.844 MT. The subsequent registration was obtained after filing the subject Bill of Entry dated 13.08.2026. Thus, the SIMS registration initially furnished did not correspond with the description, classification and quantity of the goods actually found during examination.

17.5 Independently of the SIMS issue, the entire quantity of 20,844 Kgs of Iron Nails has already been held liable to confiscation under Section 111(m) on account of material discrepancies in description and classification, while the excess quantity of 684 Kgs additionally attracts Section 111(l). The confiscation value of the entire consignment is **₹11,01,136/-**.

17.6 Regarding non-confiscation under Section 111(d) for SIMS violation: I find that the importer had initially obtained SIMS registration for Iron Pins under CTH 73170091, whereas the goods actually found were Iron Nails under CTH 73170019. However, the importer subsequently obtained SIMS Registration No. MOSSIMS250926698157 dated 25.09.2026 for the actual description, classification and quantity of the imported goods. Considering the subsequent registration and in the absence of sufficient evidence establishing that the goods were imported contrary to a prohibition imposed under the applicable import policy, I hold that confiscation under **Section 111(d) of the Customs Act, 1962**

is not warranted in the present case. However, the liability to confiscation under Sections 111(l) and 111(m), as discussed above, remains unaffected.

18.1 Regarding the sixth issue of imposition of penalty, I find that the importer, by filing a Bill of Entry which did not correctly declare the description, classification and quantity of the goods, committed acts and omissions which rendered the offending goods liable to confiscation under Section 111.

18.2 In terms of Section 112 of the Customs Act, 1962, a person who, in relation to any goods, does or omits to do any act which renders such goods liable to confiscation under Section 111, or abets such act or omission, is liable to penalty within the limits prescribed therein. Since the offending goods have been held liable to confiscation, the importer attracts penal liability under Section 112.

18.3 Further, the importer filed and used the Bill of Entry containing incorrect material particulars in respect of description and quantity. Section 114AA provides for penalty where 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 for the purposes of the Customs Act. Having regard to the material discrepancies established on examination and the incorrect particulars used for clearance/warehousing of the goods, the importer is liable to penalty under Section 114AA,.

18.4 I note that the importer accepted the Chartered Engineer's valuation and waived Show Cause Notice and Personal Hearing. The said cooperation may be considered as a mitigating factor while quantifying redemption fine and penalties, but does not efface the statutory consequences of the violations established on record.

18.5 Accordingly, I hold that M/s. Shree Ram Infrasteel Private Limited is liable to penalty under Sections 112 and 114AA of the Customs Act, 1962.

19. In view of the foregoing discussion and findings, the following operative clauses are proposed for consideration, subject to verification of the legal and procedural issues identified above:

ORDER

(i) I order that the description, classification and quantity particulars of the impugned goods covered under Bill of Bill of Entry No. 3122079 dated 13.08.2026 (Z-Type) be amended/re-determined in accordance with the physical examination findings recorded above;

(ii) I reject the declared assessable value of **₹9,68,184/- (Rupees Nine Lakh Sixty-Eight Thousand One Hundred and Eighty-Four only)** under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine the assessable value as **₹11,01,136/- (Rupees Eleven Lakh One Thousand One Hundred and Thirty-Six only)** under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962;

(iii) I order confiscation of the **entire quantity of 20,844 Kgs of Iron Nails**, having a re-determined assessable value of **₹11,01,136/- (Rupees Eleven Lakh One Thousand One Hundred and Thirty-Six only)**, under **Section 111(d), 111(m) and Section 111(l) of the Customs Act, 1962**. However, I give the importer an option under Section 125 of the said Act to redeem these goods for home consumption on payment of a redemption fine of **₹ 1,00,000**/- **(Rupees One Lakh only),** in addition to the applicable duty and other charges.;

(iv) I order that the self-assessment made under Section 17(1) of the Customs Act, 1962 in respect of Bill of Entry No. 3122079 dated 13.08.2026 be corrected through re-assessment under Section 17(4), on the basis of the re-determined description, classification, quantity and assessable value. The total re-determined Customs duty liability is **₹3,41,132/- (Rupees Three Lakh Forty-One Thousand One Hundred and Thirty-Two only)** as against the originally declared duty of **₹2,99,943/- (Rupees Two Lakh Ninety-Nine Thousand Nine Hundred and Forty-Three only)**, resulting in **differential Customs duty of ₹41,189/- (Rupees Forty-One Thousand One Hundred and Eighty-Nine**

only), which shall be paid/recovered in accordance with the applicable provisions of the Customs Act, 1962;

(v) I impose a penalty of **₹5,000/- (Rupees Five Thousand only)** on **M/s. Renew Enterprises** under **Section 112(a)(ii) of the Customs Act, 1962**;

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

20. 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: 22-10-2026 16:00:52

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

To,
M/S. RENEW ENTERPRISES (IEC BYTPA2474E),
1ST, 2ND AND 3RD FLOOR, 6500/2A, GALI HANUMAN MANDIR,
PAHAR GANJ, NABI KARIM ROAD, DELHI-110055

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