	प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा **OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOM HOUSE: MUNDRA, KUTCH** **MUNDRA PORT & SPL ECONOMIC ZONE, MUNDRA-370421** ई-मेल/ E-Mail: group3-mundra@gov.in	
A	फा /.सं .FILE NO.	CUS/APR/5404/2026-Gr 3-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ADC/ZDC/474/2026-27
C	द्वारा पारित किया गया PASSED BY	**Dipak Zala,** Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	06-11-2026
E	जारी करने की तिथि DATE OF ISSUE	06-11-2026
F	कारण बताओ नोटिस संएवं तिथि . SCN NO. & DATE	Importer requested for SCN & PH Waiver
G	नोटिसीपार्टी / आयातक/ NOTICEE/PARTY/ IMPORTER	M/s. Navya Industries (IEC: CYKPM7130B) A-4/109, Second Floor, Paschim Vihar, New Delhi – 110063

1. यह अपील आदेश 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 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 128 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 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, 4TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009."

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

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

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रूपये 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 paisa only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटि/ 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

On the basis of Specific information received to this office, the goods imported by M/s. Navya Industries, A-4/109, Second Floor, Paschim Vihar, New Delhi-110063 (IEC: CYKPM7130B), (herein after referred as "the importer" for brevity) under Bill of Entry No. Z-4235730 dated 06.10.2026, filed at APSEZ (INAJM6), identified as high risk for mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods. The goods were destined to M/s. Fast Track CFS Private Limited, SEZ Unit, APSEZ, Mundra (Kutch) Port-INAJM6. The goods were shipped from Ningbo, China and supplied by M/s. Pujiang Yanting International Trade Co., Ltd., 3rd Floor, Building 12, No. 771-1, Hongye Avenue, Xianhua Street, Pujiang County, Jinhua City, Zhejiang, China vide Invoice No. LE26076 dated 02.09.2026 for a total value of USD 9,963.80 (CFR) (Country of Origin: China). The details of the goods declared in the Bill of entry no. Z-4235730 dated 06.10.2026 are detailed below:

Table-I

Sr. No	CTH	Description	Quantity	UQC
1	61119090	BABY SUIT	828	DOZ
2	65050090	KIDS CAP	4,205	DOZ
3	61033990	BOYS JACKETS	30	DOZ
4	61034300	KIDS UPPER	478	DOZ
5	61034300	KIDS SHORTS	316	DOZ
6	61083210	GIRLS PAJAMAS	336	DOZ
7	61159600	KIDS SOCKS	480	DOZ
8	61072210	BOYS PAJAMAS	733	DOZ
9	96161020	PLASTIC SPRAY HEAD	960	KGS
10	87089900	BRAKE SHOE FOR CAR	2,640	KGS
11	73170029	DOUBLE HEAD SKIRTING	1,334	KGS

Total number of packages declared: 269; Gross Weight declared: 23,300 Kgs; Total Assessable Value declared: **Rs. 9,76,858/-** (USD 9,963.80 plus insurance @ 1.125%, @ Rs. 96.95/USD); Total Duty paid/declared: **Rs. 2,58,670/-**.

Examination of the Goods:

2. Whereas, the examination of the goods covered under Bill of Entry No. Z-4235730 dated 06.10.2026 was conducted on 21.10.2026 under Panchnama dated 21.10.2026, drawn at the premises of the SEZ unit, in the presence of two independent panchas, viz. Shri Sunil Kumar Pandey and Shri Sanjay Singh, Shri Vishal Singh, Authorized Representative of the importer and Shri Vishal Parmar, Authorized Representative of the SEZ unit M/s. Fast Track CFS Private Limited. The examination was carried out under the strength of Prior Intimation issued by the Joint Commissioner, SIIB, Custom House, Mundra. The goods, received in container no. TGBU6881780, were examined as per the Bill of Entry, commercial invoice, packing list and Bill of Lading No. EGLV143656538882 dated 07.09.2026 submitted by the authorized representative of the SEZ unit. The details of weighment verified from weighment slip is as below:

Sr. No	Container no.	Description	Declared weight in BE	Weighment as per Examination
1	TGBU6881780	Kids garments, plastic spray heads, auto parts and skirting (11 items as per BE)	23,300 Kgs (Gross weight as per BL/BE)	22,990 Kgs (as per weighment slip, after deducting tare and container weight)

2.1 During the inspection, the seal No. EMCJQZ2065 affixed on the container No. TGBU6881780 was verified with the import documents and was found tallying and intact. The seal was then cut open by a seal cutter arranged by the representative of the SEZ unit and, upon opening the gates of the container, it was observed that the container was fully stuffed with PP bags and carton boxes. The cargo was de-stuffed and arranged as per the type of packaging in the warehouse of the SEZ unit. On physical count, a total of 269 PP bags / boxes / pallets were found, which tallied with the 269 packages declared in the Bill of Entry. On opening the packages, different types of goods were found, which were segregated item-wise. The goods found during examination are detailed as under:

Table-II

Sr. No	Description of goods found	No. of Bags / Pallets	Average Quantity / Weight per Bag / Ctn / Pallet	Total Quantity found

1	Plastic Spray Head	60 Bags	16 Kgs	960 Kgs
2	Brake Shoe [Unbranded]	2 Pallets (104 Ctns)	24.88 Kgs/Ctn	2,587 Kgs
3	Girls'/Women Knitted Winter Pyjamas [Mix size & colours] [Unbranded]	16 Bags	150 Pcs	2,400 Pcs
4	Boys Knitted Pajamas [Mix size, colour & patterns] [Unbranded]	41 Bags	150 Pcs	6,150 Pcs
5	Double Head Skirting	5 Pallets	1,389 Kgs/Pallet	6,945 Kgs
6	Kids Socks Knitted Synthetic [Unbranded]	9 Bags	640 Pcs	5,760 Pcs
7	Boy 03 Pcs Suits (Knitted) [Unbranded]	6 Bags	72 Pcs	432 Pcs
8	Boys/Men Woven Puffer Jackets [Mix size, colour & patterns] [Unbranded]	8 Bags	100 Pcs	800 Pcs
9	Babies Knitted Garments [Unbranded]	89 Bags	69 Kgs	6,135 Kgs
10	Boys/Men Knitted Sweater/Pullover [Mix size & colour] [Unbranded]	24 Bags	120 Pcs	2,890 Pcs
11	Men Knitted Underwear/Briefs [Synthetic material] Mix size and colours [Unbranded]	9 Bags	360 Pcs	3,240 Pcs
	Total	**269**		

2.2 On comparison of the goods found during examination with the declaration made in the Bill of Entry and the accompanying import documents, the following discrepancies were noticed:

(i) Brake Shoe for Car was declared as 2,640 Kgs, whereas 2,587 Kgs of unbranded brake shoes were found, i.e. 53 Kgs less than the declared quantity.

(ii) Girls Pajamas were declared as 336 Doz (4,032 Pcs), whereas 2,400 Pcs of Girls'/Women knitted winter pyjamas were found, i.e. 1,632 Pcs less than the declared quantity.

(iii) Boys Pajamas were declared as 733 Doz (8,796 Pcs), whereas 6,150 Pcs of Boys knitted pajamas were found, i.e. 2,646 Pcs less than the declared quantity.

(iv) Double Head Skirting was declared as 1,334 Kgs, whereas 6,945 Kgs were found, i.e. 5,611 Kgs in excess of the declared quantity.

(v) Boys Jackets were declared as 30 Doz (360 Pcs) under Chapter 61 (knitted), whereas 800 Pcs of Boys/Men woven puffer jackets (100% polyester) were found, i.e. the goods were mis-declared in description and were 440 Pcs in excess of the declared quantity.

(vi) 6,135 Kgs of babies knitted garments were found.

(vii) Kids Upper was declared as 478 Doz (5,736 Pcs), whereas the goods found were 2,890 Pcs of Boys/Men knitted sweaters/pullovers, i.e. the goods were mis-declared in description and quantity.

(viii) Boy 03 Pcs Suits (knitted) – 432 Pcs and Men knitted underwear/briefs (synthetic) – 3,240 Pcs were found in the consignment, which were not declared in the Bill of Entry.

(ix) Kids Cap, declared as 4,205 Doz under CTH 65050090, and Kids Shorts, declared as 316 Doz under CTH 61034300, were not found in the consignment.

(x) The gross weight of the goods as per the weighment slip was found to be 22,990 Kgs as against the declared gross weight of 23,300 Kgs, i.e. 310 Kgs less.

2.3 The examination thus revealed significant discrepancies in the description, nature and quantity of the imported goods as compared to the declarations made in the Bill of Entry and the accompanying import documents. The goods found during examination differed materially from those declared, two declared items were not found at all and two undeclared items were found, which prima facie indicates a deliberate attempt by the importer to mis-declare the goods with the intention of evading the applicable Customs duties. After conclusion of the examination, the authorized representatives of the importer and the SEZ unit were directed to keep the goods in safe custody and not to remove, part with or otherwise deal with the consignment without permission in writing of the SIIB, Custom House, Mundra or the competent authority.

3. Re-determined Description and Classification of the Goods:

3.1 The importer has declared 11 items in the said BE. However, during the course of examination, the goods were found mis-declared in terms of description and quantity, two declared items (Kids Cap and Kids Shorts) were not found, two undeclared items (Boy 03 Pcs Suits and Men knitted underwear/briefs) were found, and the declared CTH of several goods was found incorrect. Accordingly, the description, quantity and classification of the goods found during examination have been re-determined as under:

Table-III

Sr. No.	Declared Description	Re-determined Description	Declared CTH	Re-determined CTH	Re-determined Quantity	Unit
1	PLASTIC SPRAY HEAD	Plastic Spray Head	96161020	96161020	960	Kgs
2	BRAKE SHOE	Brake Shoe [Unbranded]	87089900	87083000	2,587	Kgs

	FOR CAR					
3	GIRLS PAJAMAS	Girls'/Women Knitted Winter Pyjamas [Mix size & colours] [Unbranded]	61083210	61083210	2,400	Pcs
4	BOYS PAJAMAS	Boys Knitted Pajamas [Mix size, colour & patterns] [Unbranded]	61072210	61072210	6,150	Pcs
5	DOUBLE HEAD SKIRTING	Double Head Skirting	73170029	73170099	6,945	Kgs
6	KIDS SOCKS	Kids Socks Knitted Synthetic [Unbranded]	61159600	61119090	480	Doz
7	Not declared	Boy 03 Pcs Suits (Knitted) [Unbranded]	–	61119090	432	Pcs
8	BOYS JACKETS	Boys/Men Woven Puffer Jackets [Mix size, colour & patterns] [Unbranded]	61033990	62033300	800	Pcs
9	BABY SUIT	Babies Knitted Garments [Unbranded]	61119090	61119090	6,135	Kgs
10	KIDS UPPER	Boys/Men Knitted Sweater/Pullover [Mix size & colour] [Unbranded]	61034300	61109000	2,890	Pcs
11	Not declared	Men Knitted Underwear/Briefs [Synthetic material] Mix size and colours [Unbranded]	–	61071210	3,240	Pcs

3.2 The classification of goods under the First Schedule to the Customs Tariff Act, 1975 is governed by the General Rules for the Interpretation of the Import Tariff (GRI). As per Rule 1 of the GRI, the titles of Sections, Chapters and sub-Chapters are provided for ease of reference only and, for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes. Rule 3(a) of the GRI provides that the heading which provides the most specific description shall be preferred to headings providing a more general description, and Rule 6 provides that classification at sub-heading level shall be determined according to the terms of those sub-headings and any related sub-heading notes. Applying the said Rules, the classification of the goods found during examination is discussed as under:

3.3 Brake Shoe: The goods were declared as "Brake Shoe for Car" under CTH 87089900, which is the residual entry for "other" parts and accessories of motor vehicles. Heading 8708 contains a specific sub-heading 8708 30 for "Brakes and servo-brakes; parts thereof". Brake shoes are parts of brakes and, in terms of Rule 1 and Rule 6 of the GRI read with Rule 3(a), the specific sub-heading is to be preferred over the residual sub-heading. Accordingly, the goods merit classification under CTH 87083000.

3.4 Boys Knitted Pajamas: The goods were declared as "Boys Pajamas" under CTH 61072210. Heading 6107 covers men's or boys' underpants, briefs, nightshirts,

pyjamas etc., knitted or crocheted. The declared CTH 61072210 is found appropriate.

3.5 Double Head Skirting: The goods were declared under CTH 73170029. On the basis of the goods found during examination, the goods are re-determined under CTH 73170099 under Heading 7317 of the Customs Tariff, and the quantity is re-determined as 6,945 Kgs as against the declared 1,334 Kgs.

3.6 Kids Socks Knitted Synthetic: The goods were declared as "Kids Socks" under CTH 61159600, which covers other hosiery of synthetic fibres. The goods found are small-size knitted socks for infants/kids, which are babies' clothing accessories. As per Note 6(b) to Chapter 61, articles which are, prima facie, classifiable both in heading 6111 and in other headings of the Chapter are to be classified in heading 6111. Accordingly, the goods merit classification under CTH 61119090.

3.7 Boy 03 Pcs Suits (Knitted): The goods were not declared in the Bill of Entry. The goods found are knitted three-piece suits for small boys, i.e. babies' garments, knitted or crocheted, covered under Heading 6111. Accordingly, the goods merit classification under CTH 61119090.

3.8 Boys/Men Woven Puffer Jackets: The goods were declared as "Boys Jackets" under CTH 61033990, i.e. under Chapter 61, which covers articles of apparel, knitted or crocheted. The goods found are woven puffer jackets of 100% polyester. As per Note 1 to Chapter 62, that Chapter applies only to made up articles of any textile fabric other than wadding, excluding knitted or crocheted articles. Since the jackets are woven, they fall outside Chapter 61 and merit classification under Chapter 62, under CTH 62033300.

3.9 Babies Knitted Garments: The goods were declared as "Baby Suit" under CTH 61119090, which covers babies' garments and clothing accessories, knitted or crocheted, of other textile materials. The goods found are babies' knitted garments and, accordingly, the declared CTH 61119090 is found appropriate.

3.10 Boys/Men Knitted Sweater/Pullover: The goods were declared as "Kids Upper" under CTH 61034300, which covers men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres. The goods found are knitted sweaters/pullovers. Heading 6110 specifically covers jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted. Accordingly, the goods merit classification under CTH 61109000.

3.11 Men Knitted Underwear/Briefs: The goods were not declared in the Bill of Entry. The goods found are men's knitted underwear/briefs of synthetic material.

Heading 6107 specifically covers men's or boys' underpants and briefs, knitted or crocheted. Accordingly, the goods merit classification under CTH 61071210.

4. Valuation of the Goods:

4.1 Further, as goods found during examination in the subject Bill of Entry were mis-declared in terms of Description, quantity and classification, the value of the goods needs to be determined. From the above, it appears that the importer had mis-declared the goods in terms of description, quantity, classification etc. and goods were not found as per the declaration filed in the Bill of Entry No. Z-4235730 dated 06.10.2026 (Z Type). Hence, value declared by the Importer appears to be not true transaction value. Thus, the declared value appeared to be not acceptable as transaction value and merits rejection in terms of Section 14 of Customs Act, 1962 read with Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The value appears to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of Customs Valuation Rules 2007.

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

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

4.3. Whereas, it appears that, if actual transaction value which means price paid or payable cannot be ascertained on the basis of Rule 3 of the CVR, 2007, the value shall be decided proceeding to subsequent rules. Thus, recourse is to be taken to the Rule 9 of the CVR, 2007 which provides for determination of value where the value of the imported goods cannot be determined under the provisions of the any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India.

4.4. Whereas, it appears that, the value of the impugned goods could not be

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

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

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

4.6. Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected on 29.10.2026 at the premises of M/s. Fast Track CFS Private Limited, SEZ Unit, Mundra, by Shri Anwar Y. Kukad, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. AYK:VAL:03135:2026 dated 30.10.2026 (signed on 02.11.2026), wherein, he has reported the value of the cargo as tabulated below:

Table-IV

Sr. No.	**Description**	**Total Quantity**	**Measure Unit**	***Unit Suggestive Average C.I.F. Value by C.E. (in USD)***	***Total Suggestive Average C.I.F. Value by C.E. (in USD)***	***Total Suggestive Average C.I.F. Value by C.E. (in INR) @ Rs. 96.95/USD***

1	Plastic Spray Head	960	Kgs	0.620	595.20	57,704.64
2	Brake Shoe [Unbranded]	2,587	Kgs	2.900	7,502.30	7,27,347.99
3	Girls'/Women Knitted Winter Pyjamas	2,400	Pcs	0.310	744.00	72,130.80
4	Boys Knitted Pajamas	6,150	Pcs	0.260	1,599.00	1,55,023.05
5	Double Head Skirting	6,945	Kgs	0.570	3,958.65	3,83,791.12
6	Kids Socks Knitted Synthetic	480	Doz	0.310	148.80	14,426.16
7	Boy 03 Pcs Suits (Knitted)	432	Pcs	0.830	358.56	34,762.39
8	Boys/Men Woven Puffer Jackets (100% Polyester)	800	Pcs	1.290	1,032.00	1,00,052.40
9	Babies Knitted Garments	6,135	Kgs	1.240	7,607.40	7,37,537.43
10	Boys/Men Knitted Sweater/Pullover (Synthetic)	2,890	Pcs	0.620	1,791.80	1,73,715.01
11	Men Knitted Underwear/Briefs (Synthetic)	3,240	Pcs	0.310	1,004.40	97,376.58
Total					**26,342.11**	**25,53,867.56**

The chartered engineer, empanelled by the government, determined the fair value of the goods to be Rs. 25,53,868/- in contrast to the declared assessable value of Rs. 9,76,858/-.

5. With the introduction of self-assessment under Section 17(1) of the Customs Act, 1962, the responsibility lies squarely on the importer to accurately self-assess the Bill of Entry and declare the correct amount of leviable duty. By failing to declare dutiable goods correctly in the Bill of Entry, the importer's actions indicate an intent to evade payment of the correct duties on the imported goods. This deliberate omission raises reasonable grounds to believe that the importer wilfully and intentionally concealed dutiable goods, thereby causing a loss to government revenue.

6. Re-determination of Duty:

6.1. Based on the foregoing paragraphs, it is evident that the importer has undervalued/mis-classified/mis-declared the imported goods to evade payment of duties and taxes. The duty liability for the imported goods as per re-determined value and classification is ascertained as under:

Table-V

Sr No	Description	Total Quantity	Measure Unit	*Total Suggestive Average C.I.F. Value by C.E. (in USD)*	*Total Suggestive Average C.I.F. Value by C.E. (in INR) @ Rs. 96.95/USD*	BCD (Rate) (in Rs.)	*SWS @ 10% of BCD (in Rs.)*	IGST (Rate) (in Rs.)	Total Duty (in Rs.)
1	Plastic Spray Head	960	Kgs	595.20	57,704.64	11,540.93	1,154.09	12,671.94	25,366.96
2	Brake Shoe [Unbranded]	2,587	Kgs	7,502.30	7,27,347.99	1,09,102.20	10,910.22	1,52,524.87	2,72,537.29
3	Girls'/Women Knitted Winter Pyjamas	2,400	Pcs	744.00	72,130.80	14,426.16	1,442.62	4,399.98	20,268.76
4	Boys Knitted Pajamas	6,150	Pcs	1,599.00	1,55,023.05	31,004.61	3,100.46	9,456.41	43,561.48
5	Double Head Skirting	6,945	Kgs	3,958.65	3,83,791.12	57,568.67	5,756.87	80,481.00	1,43,806.54
6	Kids Socks Knitted Synthetic	480	Doz	148.80	14,426.16	2,885.23	288.52	880.00	4,053.75
7	Boy 03 Pcs Suits (Knitted)	432	Pcs	358.56	34,762.39	6,952.48	695.25	2,120.51	9,768.24
8	Boys/Men Woven Puffer Jackets (100% Polyester)	800	Pcs	1,032.00	1,00,052.40	20,010.48	2,001.05	6,103.20	28,114.73
9	Babies Knitted Garments	6,135	Kgs	7,607.40	7,37,537.43	1,47,507.49	14,750.75	44,989.78	2,07,248.02
10	Boys/Men Knitted Sweater/Pullover (Synthetic)	2,890	Pcs	1,791.80	1,73,715.01	3,03,450.00 (20% or Rs. 105/Pc, whichever is higher)	Nil	23,858.25	3,27,308.25

11	Men Knitted Underwear/Briefs (Synthetic)	3,240	Pcs	1,004.40	97,376.58	97,200.00 (20% or Rs. 30/Pc, whichever is higher)	Nil	9,728.83	1,06,928.83
Total									**11,88,962.85**

From the Table above, it appears that the total duty liability of the importer is **Rs. 11,88,963/-**.

6.2. The importer in the BE no. Z-4235730 dated 06.10.2026, has declared the value of the goods as Rs. 9,76,858/- and calculated the applicable duties and taxes on the goods declared, based on the declared value and classification in the Bill of Entry as Rs. 2,58,670/-.

6.3. Based on the calculations from Table-V above, the importer is required to pay a differential duty liability of Rs. 9,30,293/- (Rs. 11,88,963/- minus Rs. 2,58,670/-) on the mis-declared/undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the mis-declaration/undervaluation of goods.

7. LEGAL PROVISIONS:

7.1. **Section 2 (14)** of the Customs Act, 1962, *"**dutiable goods**" means any goods which are chargeable to duty and on which duty has not been paid*;

7.2. **SECTION 46**(4) of the Customs Act, 1962, *prescribes that the importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed.*

7.3. **Section 111** of the Customs Act, 1962- Confiscation of improperly imported goods, etc. as under

> *The following goods brought from a place outside India shall be liable for confiscation:*
>
> *…*
>
> *(l) any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;*

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

…

7.4. **Section 112** of the Customs Act, 1962, penal provisions for improper importation of goods, etc. which read as under:

Any person, -

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

(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 section111,

shall be liable, -

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

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

(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees], whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the

declared value and the value thereof or five thousand rupees, whichever is the highest.

7.5. 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.

7.6. 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.

7.7. 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.

7.8. 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.

8. <u>Outcome of Investigation:</u>

On the basis of specific information for risk of mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods in the import consignment of M/s. Navya Industries, A-4/109, Second Floor, Paschim Vihar, New Delhi-110063 (IEC: CYKPM7130B), under Bill of Entry No. Z-4235730 dated 06.10.2026, filed at APSEZ (INAJM6), an investigation was initiated by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra. The investigation revealed significant irregularities in the subject import consignment. The examination uncovered deliberate mis-declaration in description, quantity, mis-classification and undervaluation of goods, indicating intent to evade Customs duties. The outcomes of the investigation are as follows:

8.1. Examination and Findings:

The examination of container no. TGBU6881780, conducted on 21.10.2026 under Panchnama in the presence of Authorized representatives of the

importer and the SEZ unit, revealed discrepancies in the goods imported by M/s. Navya Industries under Bill of Entry No. Z-4235730 dated 06.10.2026:

269 packages were found, as declared; however, the goods found differed from the declaration in description, quantity and classification, and undeclared goods were found.

Declared goods: 11 items viz. Baby Suit, Kids Cap, Boys Jackets, Kids Upper, Kids Shorts, Girls Pajamas, Kids Socks, Boys Pajamas, Plastic Spray Head, Brake Shoe for Car and Double Head Skirting, declared under CTH 61119090, 65050090, 61033990, 61034300, 61034300, 61083210, 61159600, 61072210, 96161020, 87089900 and 73170029 respectively.

Found goods: Plastic Spray Heads (960 Kgs), Brake Shoes (2,587 Kgs), Girls'/Women knitted winter pyjamas (2,400 Pcs), Boys knitted pajamas (6,150 Pcs), Double Head Skirting (6,945 Kgs), Kids knitted socks (480 Doz, i.e. 5,760 Pcs), Boy 03 Pcs knitted suits (432 Pcs), Boys/Men woven puffer jackets (800 Pcs), Babies knitted garments (6,135 Kgs), Boys/Men knitted sweaters/pullovers (2,890 Pcs) and Men knitted underwear/briefs (3,240 Pcs), which merit classification under CTH 96161020, 87083000, 61083210, 61072210, 73170099, 61119090, 61119090, 62033300, 61119090, 61109000 and 61071210 respectively. The declared Kids Cap (4,205 Doz) and Kids Shorts (316 Doz) were not found, and Boy 03 Pcs Suits and Men underwear/briefs were found undeclared.

The goods were found to be undervalued in the declared CIF value.

8.2. Valuation of the Goods:

Declared Value: The importer declared an assessable value of INR 9,76,858/-.

Redetermined Value: The Chartered Engineer's report (ref no. AYK:VAL:03135:2026 dated 30.10.2026 determined the fair CIF value at USD 26,342.11/-, equivalent to INR 25,53,868/- (at INR 96.95/USD).

Valuation Method: The declared value was rejected under Rule 12 of CVR Rules, 2007, due to undervaluation/mis-declaration and mis-classification. Valuation was determined under Rule 9 of the Customs Valuation Rules (CVR), 2007 (residual method), as values under Rules 4–8 could not be established due to lack of comparable data, non-standard nature of goods, and absence of domestic market sale prices.

8.3. Description and Classification:

Sr. No.	Re-determined Description of Goods	Re-determined CTH of Goods
1	Plastic Spray Head	96161020
2	Brake Shoe [Unbranded]	87083000
3	Girls'/Women Knitted Winter Pyjamas [Mix size & colours] [Unbranded]	61083210
4	Boys Knitted Pajamas [Mix size, colour & patterns] [Unbranded]	61072210
5	Double Head Skirting	73170099
6	Kids Socks Knitted Synthetic [Unbranded]	61119090
7	Boy 03 Pcs Suits (Knitted) [Unbranded]	61119090
8	Boys/Men Woven Puffer Jackets [Mix size, colour & patterns] [Unbranded]	62033300
9	Babies Knitted Garments [Unbranded]	61119090
10	Boys/Men Knitted Sweater/Pullover [Mix size & colour] [Unbranded]	61109000
11	Men Knitted Underwear/Briefs [Synthetic material] Mix size and colours [Unbranded]	61071210

8.4. Duty Evasion:

The importer's deliberate mis-declaration and undervaluation resulted in a differential duty liability of INR 9,30,293/- (total duty liability of INR 11,88,963/- as per Table-V minus declared duty of INR 2,58,670/-).

8.5. Conclusion:

The importer has, by their acts of omission and commission, rendered the goods found mis-classified/undervalued/mis-declared in description and quantity, including the undeclared goods, with a re-determined assessable value of **Rs. 25,53,868/-** under Bill of Entry No. Z-4235730 dated 06.10.2026, liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962, and is therefore also liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. As the importer has mis-declared the description and quantity of the goods in the import documents, the importer is also liable for penalty under Section 114AA of the Customs Act, 1962.

9. In view of the above, it appears that:

(i) The declared description, quantity, weighment and classification of the goods in the Bill of Entry No. Z-4235730 dated 06.10.2026 is liable to be rejected and need to be re-determined as per Table-III, Table-IV and Table-V.

(ii) The declared total assessable value of the goods, i.e., **Rs. 9,76,858/-**, is liable to be rejected and the same needs to be re-determined as **Rs. 25,53,868/-** under Rule 9 of the Customs Valuation Rules, 2007.

(iii) The self-assessment done by the importer is liable to be rejected and the BE needs to be re-assessed with differential duty of **Rs. 9,30,293/-** under Section 17(4) of the Customs Act, 1962.

(iv) The subject goods having re-determined value of **Rs. 25,53,868/-**, are liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962.

(v) The importer is liable for penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962.

PERSONAL HEARING AND SUBMISSIONS

10. The importer, M/s. Navya Industries, vide e-mail dated 02.11.2026, sent in response to the CE report forwarded by SIIB on the same date, conveyed its agreement with the report of the Chartered Engineer and stated that it did not want any show cause notice, personal hearing or summons in the matter and requested that the matter be decided on merits. In the said e-mail, the importer further stated that it was ready to pay the duty, fine and penalty, if any, and that it would not file any application for refund claim or appeal. Further, vide letter dated 04.11.2026 addressed to the Deputy Commissioner of Customs (SIIB), Mundra, the importer submitted the following:

> *"We agree with CE Report*
>
> *Further, we would like to inform you that we don't want any SCN-PH or summon in this regard and request you kindly decide the matter on merits and we will abide by the decision taken by your good office.*
>
> *We are ready to pay duty, interest, fine & penalty, if arises and also inform us that we will not file any application for refund claim or appeal. Your lenient view in this regard will be highly appreciable."*

DISCUSSION AND FINDINGS

11. I have carefully gone through the records of the case, Investigation Report No. 222/2026-27 dated 03.11.2026, and the applicable provisions of law. The importer vide e-mail dated 02.11.2026 and letter dated 04.11.2026 has requested waiver of show cause notice and personal hearing. 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 record. The issues to be decided by me are:

(i) Whether the declared description, quantity, weighment and classification of the goods imported vide Z-Bill of Entry No. 4235730 dated 06.10.2026 are liable to be rejected and re-determined as per Table-III, Table-IV and Table-V, supra;

(ii) Whether the declared assessable value of Rs. 9,76,858/- is liable to be rejected and re-determined as Rs. 25,53,868/- under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962;

(iii) Whether the self-assessment is liable to be rejected and the said Bill of Entry re-assessed under Section 17(4) of the Customs Act, 1962 with differential duty of Rs. 9,30,293/-;

(iv) Whether the goods, having re-determined value of Rs. 25,53,868/-, are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962;

(v) Whether penalty under Section 112(a)(ii) and Section 114AA of the Customs Act, 1962 is imposable upon the importer.

12. RE-DETERMINATION OF DESCRIPTION, QUANTITY, WEIGHMENT AND CLASSIFICATION

12.1 Regarding the first issue, I find that the importer declared 11 items, viz. kids' garments, plastic spray heads, brake shoes and double head skirting, in the Bill of Entry, packed in 269 packages with a gross weight of 23,300 Kgs, as detailed in Table-I, supra. During examination on 21.10.2026 under Panchnama, a total of 269 packages (PP bags / boxes / pallets) were found, which tallied with the declared number of packages, and the weight as per the weighment slip was found to be 22,990 Kgs (after deducting the tare and container weight). On segregation, the goods were found to be of 11 types, as detailed in Table-II, supra.

12.2 On comparison of the goods found during examination with the declaration made in the Bill of Entry, I find that:

(i) Kids Cap, declared as 4,205 Doz under CTH 65050090, and Kids Shorts, declared as 316 Doz under CTH 61034300, were not found in the consignment;

(ii) 432 Pcs of Boy 03 Pcs Suits (Knitted) and 3,240 Pcs of Men Knitted Underwear/Briefs (Synthetic material) were found, which were not declared in the Bill of Entry, invoice or packing list;

(iii) Boys Jackets were declared as 30 Doz (360 Pcs) under CTH 61033990, i.e. as knitted garments; however, 800 Pcs of Boys/Men Woven Puffer Jackets (100% polyester) were found, i.e. the goods were mis-declared in description and were

440 Pcs in excess of the declared quantity;

(iv) Kids Upper was declared as 478 Doz (5,736 Pcs) under CTH 61034300; however, no such goods were found and, instead, 2,890 Pcs of Boys/Men Knitted Sweaters/Pullovers were found;

(v) Double Head Skirting was declared as 1,334 Kgs, whereas 6,945 Kgs were found, i.e. an excess of 5,611 Kgs;

(vi) Baby Suit was declared as 828 Doz under CTH 61119090, whereas 6,135 Kgs of Babies Knitted Garments were found;

(vii) Brake Shoe for Car, Girls Pajamas and Boys Pajamas were declared as 2,640 Kgs, 336 Doz (4,032 Pcs) and 733 Doz (8,796 Pcs) respectively, whereas 2,587 Kgs, 2,400 Pcs and 6,150 Pcs respectively were found.

I further find that, though the number of packages tallied with the declaration, the contents of the said packages did not correspond with the Bill of Entry, invoice and packing list, inasmuch as two of the declared items were not found at all and two undeclared items were found in the consignment.

12.3 I find that the classification of goods under the First Schedule to the Customs Tariff Act, 1975 is governed by the General Rules for the Interpretation of the Import Tariff (GRI). As per Rule 1 of the GRI, classification is determined according to the terms of the headings and any relative Section or Chapter Notes; as per Rule 3(a), the heading providing the most specific description is to be preferred; and as per Rule 6, classification at sub-heading level is determined according to the terms of those sub-headings. Applying the said Rules, I find as under:

(i) Brake Shoe [Unbranded]: The goods declared under CTH 87089900, the residual entry for "other" parts and accessories of motor vehicles, were found to be brake shoes. Sub-heading 8708 30 specifically covers "brakes and servo-brakes; parts thereof", and brake shoes are parts of brakes. I therefore find that the goods merit classification under CTH 87083000 and not under CTH 87089900.

(ii) Double Head Skirting: The goods declared under CTH 73170029 were found to be Double Head Skirting. On the basis of the goods found during examination, I find that the goods merit classification under CTH 73170099 under Heading 7317 of the Customs Tariff.

(iii) Kids Socks Knitted Synthetic [Unbranded]: The goods declared under CTH 61159600 were found to be small-size knitted socks for infants, i.e. babies' clothing accessories. As per Note 6(b) to Chapter 61, articles which are, prima facie, classifiable both in heading 6111 and in other headings of the Chapter are to be classified in heading 6111. I therefore find that the goods merit classification under

CTH 61119090.

(iv) Boy 03 Pcs Suits (Knitted): The undeclared 432 Pcs of knitted three-piece suits for small boys are babies' garments, knitted or crocheted, covered under Heading 6111. I therefore find that the goods merit classification under CTH 61119090.

(v) Boys/Men Woven Puffer Jackets: The goods declared as "Boys Jackets" under CTH 61033990, i.e. under Chapter 61 which covers articles of apparel, knitted or crocheted, were found to be 800 Pcs of woven puffer jackets of 100% polyester. As per Note 1 to Chapter 62, that Chapter applies only to made up articles of any textile fabric other than wadding, excluding knitted or crocheted articles. As the jackets are woven, I find that they fall outside Chapter 61 and merit classification under CTH 62033300.

(vi) Boys/Men Knitted Sweater/Pullover: The goods declared as "Kids Upper" under CTH 61034300, which covers men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, were found to be 2,890 Pcs of knitted sweaters/pullovers. Heading 6110 specifically covers "jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted". I therefore find that the goods merit classification under CTH 61109000.

(vii) Men Knitted Underwear/Briefs: The undeclared 3,240 Pcs of men's knitted underwear/briefs of synthetic material are specifically covered by Heading 6107, which covers "men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, knitted or crocheted". I therefore find that the goods merit classification under CTH 61071210.

12.4 In respect of the remaining items, namely Plastic Spray Head, Girls'/Women Knitted Winter Pyjamas, Boys Knitted Pajamas and Babies Knitted Garments, I find that the declared CTH is appropriate; however, the description and quantity are required to be re-determined as per the goods actually found during examination, wherever different from the declaration. I also find that the importer, vide e-mail dated 02.11.2026 and letter dated 04.11.2026, has agreed with the CE report and has not disputed the re-determined classification.

12.5 The description, quantity and classification of the goods, as re-determined, are as under:

Sr. No.	Declared Description	Declared CTH	Declared Quantity	Re-determined Description	Re-determined CTH	Re-determined Quantity
1	Plastic Spray Head	96161020	960 Kgs	Plastic Spray Head	96161020	960 Kgs
				Brake Shoe		

2	Brake Shoe for Car	87089900	2,640 Kgs	[Unbranded]	87083000	2,587 Kgs
3	Girls Pajamas	61083210	336 Doz	Girls'/Women Knitted Winter Pyjamas [Mix size & colours] [Unbranded]	61083210	2,400 Pcs
4	Boys Pajamas	61072210	733 Doz	Boys Knitted Pajamas [Mix size, colour & patterns] [Unbranded]	61072210	6,150 Pcs
5	Double Head Skirting	73170029	1,334 Kgs	Double Head Skirting	73170099	6,945 Kgs
6	Kids Socks	61159600	480 Doz	Kids Socks Knitted Synthetic [Unbranded]	61119090	480 Doz
7	Not declared	-	-	Boy 03 Pcs Suits (Knitted) [Unbranded]	61119090	432 Pcs
8	Boys Jackets	61033990	30 Doz	Boys/Men Woven Puffer Jackets (100% Polyester) [Mix size, colour & patterns] [Unbranded]	62033300	800 Pcs
9	Baby Suit	61119090	828 Doz	Babies Knitted Garments [Unbranded]	61119090	6,135 Kgs
10	Kids Upper	61034300	478 Doz	Boys/Men Knitted Sweater/Pullover [Mix size & colour] [Unbranded]	61109000	2,890 Pcs
11	Not declared	-	-	Men Knitted Underwear/Briefs [Synthetic material] [Mix size & colours] [Unbranded]	61071210	3,240 Pcs
12	Kids Cap	65050090	4,205 Doz	Not found	-	Nil
13	Kids Shorts	61034300	316 Doz	Not found	-	Nil

12.6 In view of the above, I hold that the declared description, quantity and

classification of the goods are liable to be rejected and are re-determined as per the above Table. I further hold that the declared gross weight of 23,300 Kgs is liable to be rejected and is re-determined as 22,990 Kgs as per the weighment slip.

13. VALUATION

13.1 Regarding the second issue, I find that the goods were inspected on 29.10.2026 by Shri Anwar Y. Kukad, Chartered Engineer and Government Approved Valuer, who vide Chartered Engineer's Certificate Ref. No. AYK:VAL:03135:2026 dated 30.10.2026 assessed the total CIF value of the goods found during examination at USD 26,342.11, i.e. **Rs. 25,53,868/-** (@ Rs. 96.95/USD), as against the declared value of **Rs. 9,76,858/-** (USD 9,963.80 CFR). I find that the declared value covers only the goods as declared in the invoice, and does not include any value for the undeclared Boy 03 Pcs Suits (432 Pcs) and Men Knitted Underwear/Briefs (3,240 Pcs), or for the excess 440 Pcs of jackets and 5,611 Kgs of Double Head Skirting. Further, the goods declared as Kids Upper were found to be Sweaters/Pullovers and the goods declared as knitted Boys Jackets were found to be woven puffer jackets, while the declared Kids Cap and Kids Shorts were not found at all. The declared value, therefore, does not represent the value of the goods actually imported, which gives reason to doubt the truth and accuracy of the declared value. I also find that the importer, vide e-mail dated 02.11.2026 and letter dated 04.11.2026, has agreed with the value assessed by the Chartered Engineer and has not produced any evidence in support of the declared value. I therefore hold that the declared assessable value of **Rs. 9,76,858/-** is liable to be rejected under Rule 12 of the CVR, 2007.

13.2 I find that, as per Rule 3(4) of the CVR, 2007, where the value cannot be determined under sub-rule (1), it is to be determined by proceeding sequentially through Rules 4 to 9. In the absence of contemporaneous import data of identical or similar goods, the value could not be determined under Rules 4 and 5. Rules 7 and 8 could not be applied, as no data on sale price in India or cost of production was available on record. I therefore hold that application of Rule 9 (residual method) of the CVR, 2007 is appropriate in the facts of the present case.

13.3 The value assessed by the Chartered Engineer is as under:

Sr. No.	Description	Quantity	Unit	Unit CIF Value (USD)	Total CIF Value (USD)	CIF Value in INR (@ Rs. 96.95/USD)
1	Plastic Spray Head	960	Kgs	0.620	595.20	57,704.64

2	Brake Shoe	2,587	Kgs	2.900	7,502.30	7,27,347.99
3	Girls'/Women Knitted Winter Pyjamas	2,400	Pcs	0.310	744.00	72,130.80
4	Boys Knitted Pajamas	6,150	Pcs	0.260	1,599.00	1,55,023.05
5	Double Head Skirting	6,945	Kgs	0.570	3,958.65	3,83,791.12
6	Kids Socks Knitted Synthetic	480	Doz	0.310	148.80	14,426.16
7	Boy 03 Pcs Suits (Knitted)	432	Pcs	0.830	358.56	34,762.39
8	Boys/Men Woven Puffer Jackets	800	Pcs	1.290	1,032.00	1,00,052.40
9	Babies Knitted Garments	6,135	Kgs	1.240	7,607.40	7,37,537.43
10	Boys/Men Knitted Sweater/Pullover	2,890	Pcs	0.620	1,791.80	1,73,715.01
11	Men Knitted Underwear/Briefs [Synthetic material]	3,240	Pcs	0.310	1,004.40	97,376.58
	Total				**26,342.11**	**25,53,867.56**

13.4 I find that the value assessed by the Chartered Engineer has been arrived at item-wise on the description and quantity of the goods re-determined in the foregoing paras. I find the same to be reasonable and consistent with the principles and general provisions of the CVR, 2007.

13.5 In view of the above, I hold that the declared assessable value of **Rs. 9,76,858/-** is rejected under Rule 12 of the CVR, 2007 and is re-determined at **Rs. 25,53,868/-** under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962.

14. RE-ASSESSMENT UNDER SECTION 17(4)

14.1 Regarding the third issue, I find that Section 17 of the Customs Act, 1962 deals with assessment of duty. The relevant provisions are as follows:

> *"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."*

14.2 In view of the findings on description, quantity, classification and valuation above, I find that the self-assessment was not done correctly. The duty on the goods, as re-determined, is as under:

Sr. No.	Description	CTH	Assessable Value (Rs.)	BCD (Rs.) (Rate)	SWS @ 10% of BCD (Rs.)	IGST (Rs.) (Rate)	Total Duty (Rs.)
1	Plastic Spray Head	96161020	57,704.64	11,540.93 (20%)	1,154.09	12,671.94 (18%)	25,366.96
2	Brake Shoe	87083000	7,27,347.99	1,09,102.20 (15%)	10,910.22	1,52,524.87 (18%)	2,72,537.29
3	Girls'/Women Knitted Winter Pyjamas	61083210	72,130.80	14,426.16 (20%)	1,442.62	4,399.98 (5%)	20,268.76
4	Boys Knitted Pajamas	61072210	1,55,023.05	31,004.61 (20%)	3,100.46	9,456.41 (5%)	43,561.48
5	Double Head Skirting	73170099	3,83,791.12	57,568.67 (15%)	5,756.87	80,481.00 (18%)	1,43,806.54
6	Kids Socks Knitted Synthetic	61119090	14,426.16	2,885.23 (20%)	288.52	880.00 (5%)	4,053.75
7	Boy 03 Pcs Suits (Knitted)	61119090	34,762.39	6,952.48 (20%)	695.25	2,120.51 (5%)	9,768.24
8	Boys/Men Woven Puffer Jackets	62033300	1,00,052.40	20,010.48 (20%)	2,001.05	6,103.20 (5%)	28,114.73

9	Babies Knitted Garments	61119090	7,37,537.43	1,47,507.49 (20%)	14,750.75	44,989.78 (5%)	2,07,248.02
10	Boys/Men Knitted Sweater/Pullover	61109000	1,73,715.01	3,03,450.00 (Rs. 105/Pc)	Nil	23,858.25 (5%)	3,27,308.25
11	Men Knitted Underwear/Briefs [Synthetic material]	61071210	97,376.58	97,200.00 (Rs. 30/Pc)	Nil	9,728.83 (5%)	1,06,928.83
	Total		**25,53,867.56**	**8,01,648.25**	**40,099.83**	**3,47,214.77**	**11,88,962.85**

I find that Boys/Men Knitted Sweater/Pullover (CTH 61109000) and Men Knitted Underwear/Briefs (CTH 61071210) attract BCD @ 20% or Rs. 105 per piece and 20% or Rs. 30 per piece respectively, whichever is higher, and the specific rate, being higher, has been applied. The self-assessed and re-determined duty are compared as under:

Particulars	**Self-assessed (Rs.)**	**Re-determined (Rs.)**
Assessable Value	9,76,858	25,53,868
BCD	1,53,298	8,01,648
SWS @ 10% of BCD	15,330	40,100
IGST	90,042	3,47,215
Total Duty	2,58,670	11,88,963
Differential Duty		**9,30,293**

14.3 Therefore, I hold that the self-assessment done by the importer under Section 17(1) of the Customs Act, 1962 is liable to be rejected. The said Z-Bill of Entry No. 4235730 dated 06.10.2026 is re-assessed under Section 17(4) of the Customs Act, 1962, with the description, quantity and classification as re-determined at para 12.5 above, re-determined assessable value of **Rs. 25,53,868/-** and re-determined duty of Rs. 11,88,963/-. The differential duty is **Rs. 9,30,293/-** (Rupees Nine Lakh Thirty Thousand Two Hundred Ninety-Three Only).

15. CONFISCATION

15.1 Regarding the fourth issue, I find that Section 111(l) of the Customs Act, 1962

provides for confiscation of "*any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act...*", and Section 111(m) provides for confiscation of "*any goods which do not correspond in respect of value or in any other particular with the entry made under this Act...*". In the present case, 432 Pcs of Boy 03 Pcs Suits (Knitted) and 3,240 Pcs of Men Knitted Underwear/Briefs were not included in the Bill of Entry, and 440 Pcs of jackets and 5,611 Kgs of Double Head Skirting were found in excess of the quantity included therein. Further, the goods do not correspond with the entry made in the Bill of Entry in respect of description, quantity, classification and value, as discussed above. I find that the importer has contravened Section 46(4) of the Customs Act, 1962 by not making a true declaration of the contents of the Bill of Entry. The importer has also contravened Section 46(4A) by not ensuring the accuracy and completeness of the information given therein. I therefore hold that the goods, having a re-determined assessable value of **Rs. 25,53,868/-**, are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962.

15.2 Once the goods are held liable for confiscation, the next question is whether to allow their release on Redemption Fine. I find that sub-section (1) of Section 125 of the Customs Act, 1962 provides that:

> *"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."*

15.3 In the present case, since the goods declared in the Bill of Entry and found during examination are freely importable in India and are not prohibited goods, I find it appropriate to give the importer an option to redeem the confiscated goods on payment of appropriate redemption fine under Section 125 of the Customs Act, 1962 for clearance for home consumption.

16. PENALTIES

16.1 Regarding the fifth issue, I find that Section 112 of the Customs Act, 1962 provides for penalty for improper importation of goods. Clause (a) of Section 112 applies to any person 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. Sub-clause (ii) of Section

112 provides that such person shall be liable, "*in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A,....*" I find that the goods in the present case, having re-determined value of **Rs. 25,53,868/-**, are dutiable goods, other than prohibited goods, and have a differential duty liability of **Rs. 9,30,293/-**. I find that the importer, by mis-declaring the description, quantity, classification and value of the goods and by not declaring certain goods, has done acts which have rendered the goods liable to confiscation under Section 111(l) and 111(m) of the Customs Act, 1962, thereby attracting Section 112(a). Accordingly, I hold that the importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962.

16.2 I find that Section 114AA of the Customs Act, 1962 provides that "*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 .....*" I find that the importer declared 11 items in 269 packages valued at Rs. 9,76,858/- in the Bill of Entry. However, on examination, two of the declared items, viz. Kids Cap (4,205 Doz) and Kids Shorts (316 Doz), were not found at all; Boy 03 Pcs Suits and Men Knitted Underwear/Briefs, which were not reflected in the invoice and packing list, were found; the goods declared as Kids Upper were found to be Sweaters/Pullovers; the goods declared as knitted Boys Jackets were found to be woven puffer jackets in excess quantity; and the Double Head Skirting was found to be more than five times the declared quantity. The declared assessable value was thus about 62% lower than the re-determined value of Rs. 25,53,868/-. The importer has not offered any explanation for the said discrepancies and has accepted the re-determined classification and value. I find that the importer is responsible under Section 46(4) and 46(4A) of the Customs Act, 1962 for the truth, accuracy and completeness of the Bill of Entry. I find that the description, quantity and value are material particulars for the assessment of Customs duty. Had the goods been truly declared, a higher duty of Rs. 9,30,293/- would have been payable. This constitutes the knowing use of a false and incorrect declaration in material particulars in the transaction of business under the Customs Act, 1962. Therefore, I hold that penalty under Section 114AA of the Customs Act, 1962 is also imposable upon the importer.

16.3 Therefore, I hold that penalty under Sections 112(a)(ii) and 114AA of the Customs Act, 1962 is imposable upon the importer, M/s. Navya Industries.

ORDER

17. In view of the foregoing discussion and findings, I pass the following order:

(i) I reject the declared description, quantity, weighment and classification of the

goods imported vide Z-Bill of Entry No. 4235730 dated 06.10.2026 and order that the same be re-determined as per the Table at para 12.5 above, with the gross weight re-determined as 22,990 Kgs;

(ii) I reject the declared assessable value of **Rs. 9,76,858/-** under Rule 12 of the CVR, 2007 and order that the value be re-determined at **Rs. 25,53,868/-** (Rupees Twenty-Five Lakh Fifty-Three Thousand Eight Hundred Sixty-Eight Only) under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962;

(iii) I order re-assessment of the said Z-Bill of Entry under Section 17(4) of the Customs Act, 1962, with re-determined duty of **Rs. 11,88,963/-.** The differential duty amounting to **Rs. 9,30,293/-** (Rupees Nine Lakh Thirty Thousand Two Hundred Ninety-Three Only) is required to be paid in addition to the duty already self-assessed;

(iv) I order confiscation of the said goods, having a re-determined value of **Rs. 25,53,868/-**, under Section 111(l) and 111(m) of the Customs Act, 1962. However, I give the importer an option to redeem the goods under Section 125 of the Customs Act, 1962 on payment of a Redemption Fine of **Rs. 2,50,000/-** (Rupees Two Lakh Fifty Thousand Only);

(v) I impose a penalty of **Rs. 90,000/-** (Rupees Ninety Thousand Only) under Section 112(a)(ii) of the Customs Act, 1962 upon the importer, M/s. Navya Industries;

(vi) I impose a penalty of **Rs. 25,000/-** (Rupees Twenty Five Thousand Only) under Section 114AA of the Customs Act, 1962 upon the importer, M/s. Navya Industries.

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

Digitally signed by Dipakbhai Zala
Date: 06-11-2026 12:56:07

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

To,

M/s. Navya Industries (IEC: CYKPM7130B)
A-4/109, Second Floor, Paschim Vihar,
New Delhi – 110063

Copy to:

1. The Deputy Commissioner, SIIB, Custom House, Mundra
2. The Deputy Commissioner, Review, Custom House, Mundra
3. The Deputy Commissioner, TRC, Custom House, Mundra
4. The Deputy Commissioner, EDI, Custom House, Mundra
5. Guard File