कार्यालय: प्रधान आयुक्त सीमा शुल्क, मुन्द्रा

सीमा शुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात-370421

OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS,

CUSTOMS HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421

Email ID: group3-mundra@gov.in

A.	File NO.	:	**CUS/ICFS/MISC/575/2026-Docks Examn-O/o Pr Commr-Cus-Mundra**
B.	Order-in-Original No.	:	**MCH/ADC/ZDC/199/2026-27**
C.	Passed by	:	**Dipak Zala,** **Additional Commissioner of Customs,** **Customs House, AP & SEZ, Mundra**
D.	Date of order and Date of issue	:	**24.06.2026** **24.06.2026**
E.	Bill of Entry No.	:	**Bill of Entry No. 8886881 dated 25.04.2026**
F.	SCN F. No. & Date	:	**SCN Waived on the request of the importer**
G.	Noticee(s)/Party/ Importer	:	**M/s. Madiha Trading (IEC No. AQUPA3217D),** **Flat no. 1488, 4th floor, Bahadurgarh road, Aziz Ganj Delhi-110006**

1. यह अपील आदेश संबन्धित को नि:शुल्कप्रदान किया जाता है।

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

1. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128A के अंतर्गत प्रपत्रसीए- 1-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

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

सीमाशुल्क आयुक्त (अपील)

चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड,
नवरंगपुरा, अहमदाबाद-380 009

THE COMMISSIONER OF CUSTOMS (APPEALS), Ahmedabad

4th Floor, HUDCO Building, Ishwar Bhuvan Road,

Navrangpura, Ahmedabad-380 009

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

   Appeal shall be filed within three months from the date of communication of this order.

1. उक्त अपील के उपर 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 –

i. उक्त अपील की एक प्रति और

   A copy of the appeal, and

i. इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम -1870 केमदसं॰ -6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

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

1. अपीलज्ञापनकेसाथड्यूटि/ ब्याज/ दण्ड/ जुर्मानाआदिकेभुगतानकाप्रमाणसंलग्नकियाजानाचाहिये।

   Proof of payment of duty / interest / fine / penalty etc. should be attached with the appeal memo.

1. 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.

1. 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. Madiha Trading (IEC No. AQUPA3217D), having address at Flat no. 1488, 4th floor, Bahadurgarh road, Aziz Ganj Delhi-110006 (hereinafter referred as to 'the importer') has filed Bill of Entry No. 8886881 dated 25.04.2026 for import of the goods i.e. "1.9 MM Decorative glass size 300*400MM" under CTH 70031990. Details of the Bill of Entry is as follows: -

Bill of Entry No. & Date	Decl. Description of goods	Assessable Value (Rs.)	Duty (Rs.)
8886881 dated 25.04.2026	1.9 MM Decorative glass size 300*400MM	9,09,030/-	2,81,617/-

2. Assessment of goods:-

The importer had filed the Bill of Entry with description of goods as "1.9 MM Decorative glass size 300*400MM" under CTH 70031990. The Bill of Entry was assessed by faceless assessment officer on 28.04.2026 and examination order given as per RMS instructions.

3. Examination of the Goods:

(i) The goods were examined by the Docks officer, Mundra in presence of Custom Broker representative on 06.05.2026. During the examination, goods were found as "Reflective convex mirror" instead of declared goods as "Decorative glass". Further the imported goods are mis-classified under CTH 70031990 instead of correct CTH 70099100 in order to evade the applicable Custom duty. The importer had declared the goods under CTH 70031990 having BCD as 10%, however, the goods found during examination are to be classified under CTH 70099100 having BCD 15%.

(ii) Further, as per antidumping duty notification no. 18/2024 dated 21.10.2024, read with DGTR Final findings, whereby anti-dumping duty was made applicable on "Unframed Glass Mirror" falling under tariff item 7009 91 00, originating in, or exported from People's Republic of China @234$/mts.

(iii) The above observation was forwarded from Docks in e-office file for further action in this regard.

4. Heading 7009 of the Customs Tariff Act, 1975 covers " Glass Mirrors, whether or not framed, including rear view mirrors". The sub-headings are detailed as below:

700910 -Rear-view mirrors for vehicles
70091010 ---Prismatic rear view mirror for vehicle
70091090 ---Other
-Other
70099100 -- Unframed

From above illustration, it is clear that the goods are mis-declared in terms of description, classification and valuation. Accordingly, the most appropriate HSN appears to be **70099100**.

4.1 Government of India vide Notification No. 18/2024 (ADD) dated 21.10.2024 has imposed anti-dumping duty on “Unframed Glass Mirror” as mentioned below:

Heading, Sub-heading or Tariff Item	Description	COO	COE	Producer	Amount	Unit	Currency
70099100	Unframed Glass Mirror	China	Any Country	Any	234	MT	USD
70099100	Unframed Glass Mirror	Any Country other than China	China	Any	234	MT	USD

The imported goods are originated from China as declared by Importer further Country of Export is China. Accordingly, it appears that the imported goods attract Anti-Dumping Duty @234 USD/MT.

4.2 The Importer vide letter uploaded in e-sanchit, stated that the imported goods do not attract Anti-Dumping Duty as per Anti-Dumping Duty Notification 18/2024-Customs (ADD) dated 21.10.2024.

4.3 In order to ascertain the exact nature of the coating material used in the good, sample was drawn in triplicate on 30.05.2026 and forwarded to CRCL Kandla for testing under TM No. 1345501 dated 30.05.2026. The test report (LAB No. 1192 dated 04.06.2026) received from CRCL Kandla dated 04.06.2026 stated;

The sample as received is in the form of rectangular glass having greyish coated surface on one side(unframed clear mirror). It is mainly composed of silicates of sodium and calcium (glass). Average Thickness = 1.97 mm. The coating answer test of silver.

4.4 In view of above, it is seen that the cargo is an unframed mirror correctly classifiable under CTH 70099100.

Further, as per the findings of the CRCL Kandla vide their report dated 04.06.2026, it is ascertained that the coating of sample is composed of silver and accordingly ADD as per notification no. 18/2024-Customs (ADD) dated 21.10.2024 is not applicable on the subject goods.

5. Rejection and Determination of Valuation:

5.1 The inconsistency observed in filing of the Bill of Entry suggests deliberate Undervaluation, mis-declaration and mis-classification.

5.2 As imported items were found to be mis-declared and mis-classified in the Bill of Entry No. 8886881 dated 25.04.2026, hence they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Since, mis-declaration of the goods, in parameters such as valuation and mis-classification, was noticed, the declared value of the goods is liable to be determined in terms of

Rule 12, explanation 1 (i), of the said Rules, by going sequentially from Rule 2 to 9 thereof.

Determination of valuation:

a) Efforts were made to find out the correct assessable value of the imported goods found undeclared. It was observed that the imported goods were found in different variety, description, specification and quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data extracted with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value could not be determined under Rules 4 and 5 of CVR, 2007.

b) As per Rule 6 ibid, if the value cannot be determined under Rules 3, 4 and 5 same shall be determined under the provisions of Rule 7 or when same cannot be determined under that rule then under Rule 8.

c) As the imported goods were found to be non-standard, the sale price of identical or similar goods was not available in the domestic market as the goods are miscellaneous in nature and found in different variety, description, specification, model, brand, make, sizes and quality, therefore, determination of transaction value under Rule 7 of CVR, 2007 was not possible.

d) As substantial data related to the cost or value of materials and fabrication or other processing employed in producing the imported goods required to compute the value under Rule 8 is also not available. Therefore, valuation of the impugned goods could not be ascertained under Rule 8 of CVR, 2007.

e) Hence, valuation of the goods is to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid.*

Accordingly, the Chartered Engineer was appointed for valuation of the goods. The Chartered Engineer vide his CE Report No. ABJ:INSP:CE:MUN:OPI:DG:26-27:01 dated 12.06.2026 has suggested the valuation of the imported goods as under:

Sr. No.	**Description of Goods**	**Quantity in SQM**	**Per unit Declared value**	**Total CIF**	**Per unit avg suggestive CIF value of goods in bulk quantity in USD**	**Total Average suggestive CIF value of goods in bulk quantity in USD**
1	1.9 MM Unframed Mirror	5184	0.930748	4825	1.7 USD/SQM	8812.80 USD
2.	1.9 MM Unframed Mirror	5184	0.930748	4825	1.7 USD/SQM	8812.80 USD
	Total	10368		9650 USD		17,625.60 USD

The chartered engineer, empanelled by the government, determined the fair value of the goods to be **Rs. 16,60,332/-** in contrast to the declared assessable value as **Rs. 9,09,030/-.**

5.3. 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. On the basis of the re-determined assessable value of Rs. 16,60,332/-, the differential duty short-levied due to undervaluation and mis-classification is calculated as follows:

Component	**Amount (Rs.)**
Assessable Value	16,60,332/-
Basic Customs Duty (BCD)(15%)	2,49,050/-
Social Welfare Surcharge (SWS)(10%)	24,905/-
IGST(18%)	3,48,172/-
Total Duty	6,22,127/-
Duty declared in BE	2,81,617/-
Differential duty	**3,40,510/-**

6.2 Based on the above calculation, the importer is liable to pay/levy a differential liability of Rs. 3,40,510/- 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 misdeclaration/undervaluation of goods.

7. RELEVANT LEGAL PROVISIONS:

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

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

Section 2(25): *"imported goods", means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;*

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

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

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 of the Customs Act, 1962

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

(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 of the Customs Act, 1962

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 5[not exceeding the value of the goods or five thousand rupees], whichever is the greater;

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher: Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;]

Section 125 of the Customs Act, 1962

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 4[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, the provisions of this section shall not apply:

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.

Explanation.—For removal of doubts, it is hereby declared that in cases where an order under sub-section (1) has been passed before the date on which the Finance Bill, 2018 receives the assent of the President and no appeal is pending against such order as on that date, the option under said sub-section may be exercised within a period of one hundred and twenty days from the date on which such assent is received.]

8. WAIVER OF SHOW CAUSE NOTICE AND PERSONAL HEARING

The importer vide letter dated 15.06.2026 submitted that they agree with the CE valuation report, findings and observations of the docks officer. Further the importer also submitted that they do not require personal hearing or show cause notice in the subject matter and ready to pay all applicable dues, fines, and penalties and they shall comply with all applicable customs procedures and requirements.

9. DISCUSSION AND FINDINGS

9.1 I find that the importer, M/s. Madiha Trading (IEC No. AQUPA3217D), vide their email/letter dated 15.06.2026 confirmed agreement with the value ascertained as per the Chartered Engineer report and requested that they do not require Show Cause Notice and Personal Hearing and decide the matter on merit. In view of the importer's explicit waiver of SCN and Personal Hearing, the principles of natural justice under Section 124 of the Customs Act, 1962, have been duly complied with. Considering the importer's waiver and the availability of all material evidence on record, including the Bill of Entry, examination report, CRCL test reports, Chartered Engineer report, packing list, and invoice, the case is ripe for adjudication on merits without issuance of SCN or conduct of Personal Hearing, as per the provisions of Section 124 of the Customs Act, 1962.

9.2 I have carefully gone through the case records of case. I find that importer M/s. Madiha Trading, having address at Flat no. 1488, 4th floor, Bahadurgarh road, Aziz Ganj Delhi-110006 (hereinafter referred as to 'the importer') has filed Bill of Entry No. 8886881 dated 25.04.2026 for import of the goods i.e. "1.9 MM Decorative glass size 300*400MM" under CTH 70031990 having assessable value of Rs. 9,09,030/- and declared duty of Rs. 2,81,617/-.

9.3 I find that importer had declared the goods as 1.9 MM Decorative glass under CTH 70031990. The Bill of Entry was assessed by faceless assessment officer and examination order given as per RMS instructions.

9.4 I observed that during the examination, goods were found as "Reflective convex mirror" instead of declared goods as "Decorative glass". The importer had mis-classified the goods under CTH 70031990 having BCD as 10% instead of correct CTH 70099100 having BCD as 15% in order to evade the applicable Custom duty.

Further, as per antidumping duty notification no. 18/2024 dated 21.10.2024, read with DGTR Final findings, whereby anti-dumping duty was made applicable on “Unframed Glass Mirror" falling under tariff item 7009 91 00, originating in, or exported from People’s Republic of China @234$/mts.

9.5 I observed that the Importer vide letter uploaded in e-sanchit, stated that the imported goods does not attract Anti-Dumping Duty as per Anti-Dumping Duty Notification 18/2024-Customs (ADD) dated 21.10.2024.

9.6 Accordingly, in order to ascertain the exact nature of the coating material used in the goods, sample was drawn in triplicate on 30.05.2026 and forwarded to CRCL Kandla for testing under TM No. 1345501 dated 30.05.2026. The test report (LAB No. 1192 dated 04.06.2026) received from CRCL Kandla dated 04.06.2026 stated;

The sample as received is in the form of rectangular glass having greyish coated surface on one side(unframed clear mirror). It is mainly composed of silicates of sodium and calcium (glass). Average Thickness = 1.97 mm. The coating answer test of silver.

In view of above, I find that as per the findings of the CRCL Kandla report dated 04.06.2026, it is ascertained that the coating of sample is composed of silver and accordingly ADD as per notification no. 18/2024-Customs (ADD) dated 21.10.2024 is not applicable on the subject goods.

10. Regarding the classification - the importer declared the entire consignment uniformly under CTH 70031990, while the examination Report, supported by the CRCL test results, establishes that goods found during examination are classified under CTH 70099100.

10.1 Heading 7009 of the Customs Tariff Act, 1975 covers " Glass Mirrors, whether or not framed, including rear view mirrors". The sub-headings are detailed as below:

700910 -Rear-view mirrors for vehicles

70091010 ---Prismatic rear view mirror for vehicle

70091090 ---Other

-Other

70099100 -- Unframed

10.2 The importer had declared the goods under CTH 70031990, however during examination goods are unframed mirrors. The importer had mis-declared the goods as decorative glass instead correct description as unframed mirror. Further, CRCL test report also established that goods are unframed mirrors. The uniform declaration of the entire consignment under CTH 70031990 is incorrect as importer had mis-declared the goods. The importer's acceptance vide email/letter dated 15.06.2026 further confirms the discrepancies.

Therefore, I hold that:

- Goods of subject Bill of Entry No. 8886881 dated 25.04.2026 are correctly classifiable under CTH **70099100**;

The mis-classification of the consignment has resulted in incorrect duty assessment.

11. From the above, it is evident that the importer had mis-declared the goods in terms of description, classification, and valuation. The goods were uniformly declared as " Decorative glass" under CTH 70031990, whereas the examination and CRCL test reports conclusively established that imported goods are unframed mirror and unframed mirror specifically classifiable under CTH 70099100. Hence, the value declared in the Bills of Entry cannot be considered as true assessable value when the nature of goods declared in the Bills of Entry are itself wrong. Hence the declared value of the consignment is liable to be rejected as per Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 for reasons for mis-declaration of goods in parameters such as description and classification, non-declaration of specifications of goods by the importer at the time of filing Bill of Entry. Therefore, the declared transaction value of Rs. 9,09,030/- cannot be considered as true transaction value.

11.1 The importer accepted the docks officer findings and CRCL test report and further agreed with the valuation suggested by the Chartered Engineer vide,

while requesting waiver of Show Cause Notice. Thus, the declared value is not acceptable as the true transaction value and merits rejection in terms of Section 14 of the Customs Act, 1962 read with Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The value is required to be re-determined by sequentially applying Rules 4 to 9 of the Customs Valuation Rules, 2007.

3. Determination of the method of valuation-

(1) Subject to rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of rule 10;

(2) Value of imported goods under sub-rule (1) shall be accepted:

Provided that -

(a) there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which -

(i) are imposed or required by law or by the public authorities in India; or

(ii) limit the geographical area in which the goods may be resold; or

i. *do not substantially affect the value of the goods;*

(b) the sale or price is not subject to some condition or consideration for which a value cannot be determined in respect of the goods being valued;

(c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of rule 10 of these rules; and

(d) the buyer and seller are not related, or where the buyer and seller are related, that transaction value is acceptable for customs purposes under the provisions of sub-rule (3) below.

(3) (a) Where the buyer and seller are related, the transaction value shall be accepted provided that the examination of the circumstances of the sale of the imported goods indicate that the relationship did not influence the price.

(b) In a sale between related persons, the transaction value shall be accepted, whenever the importer demonstrates that the declared value of the goods being valued, closely approximates to one of the following values ascertained at or about the same time.

(i) the transaction value of identical goods, or of similar goods, in sales to unrelated buyers in India;

(ii) the deductive value for identical goods or similar goods;

(iii) the computed value for identical goods or similar goods:

Provided that in applying the values used for comparison, due account shall be taken of demonstrated difference in commercial levels, quantity levels, adjustments in accordance with the provisions of rule 10 and cost incurred by the seller in sales in which he and the buyer are not related;

(c) substitute values shall not be established under the provisions of clause (b) of this sub-rule.

(4) 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.

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;

Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.

(b) In applying this rule, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the value of imported goods.

(c) Where no sale referred to in clause (b) of sub-rule (1), is found, the transaction value of identical goods sold at a different commercial level or in different quantities or both, adjusted to take account of the difference attributable to commercial level or to the quantity or both, shall be used, provided that such adjustments shall be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustments, whether such adjustment leads to an increase or decrease in the value.

(2) Where the costs and charges referred to in sub-rule (2) of rule 10 of these rules are included in the transaction value of identical goods, an adjustment shall be made, if there are significant differences in such costs and charges between the goods being valued and the identical goods in question arising from differences in distances and means of transport.

(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 such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.

(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.

Further, as per Rule 6 of the CVR, 2007, if the value cannot be determined under Rule 3, 4 & 5, then the value shall be determined under Rule7 of CVR, 2007.

Rule 7 of the CVR, 2007, stipulates that:-

(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 of the CVR, 2007, stipulates that:-

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 of the CVR, 2007, stipulates that:-

(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.

11.2 I state that "Value" has been defined under Section 2(41) of the Customs Act, 1962 as "Value", in relation to any goods, means the value thereof determined in accordance with the provisions of sub-section (1) or sub-section (2) of section 14".

11.3 The Section 14 ibid provides, inter alia, that the value of the imported goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such their conditions as may be specified in the rules made in this behalf. Further, its proviso provides that such transaction value in the case of imported goods shall include, in addition to the price as aforesaid, any amount paid or payable for costs and services, including commissions and brokerage, engineering, design work, royalties and license fees, costs of transportation to the place of importation, insurance, loading, unloading and handling charges to the extent and in the manner specified in the rules made in this behalf. I find that as per

the above provision value of any imported goods is the price actually paid or payable for the goods plus the components of other incidental charges to the extent mentioned in proviso to Section 14 ibid and in the manner specified in the Rules made under Section 14 ibid.

11.4 I find that Rule *4* (1) (a) of Rules 2007 stipulates determination of value of goods on the basis of value of identical goods. Rule 5, providing for transaction value of similar goods. I observed that the imported goods were found of different description, specification and quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value cannot be determined under Rules 4 and 5 of CVR, 2007. As per Rule 6 ibid, if the value cannot be determined under Rules 3, 4 and 5 same shall be determined under the provisions of Rule 7 or when same cannot be determined under that rule then under Rule 8. I also noticed that no exact sales values and data required for quantification of the deductions was available, hence, rule 7 cannot be invoked. Further, computed value, as provided under Rule 8, cannot be calculated in the absence of quantifiable data relating to cost of production, manufacture or processing of import goods. In such scenario, I find it appropriate to invoke the provisions of Rule 9 i.e. residual method for determining the value of the impugned import goods. Rule 9 provides for determination of value using reasonable means consistent with the principles and general provisions of these rules.

11.5 I find that in the absence of credible contemporaneous import data for identical or similar goods (due to the unbranded nature, varying specifications, and lack of detailed matches in NIDB/DGOV databases during the relevant period), the value of these goods cannot be determined in terms of Rules 4, 5, 6, 7, or 8 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Hence, the value is to be determined in terms of Rule 9 of the said Rules.

11.6 For the purpose of valuation, the empanelled Chartered Engineer, vide his report ref no. ABJ:INSP:CE:MUN:OPI:DG:26-27:01 dated 12.06.2026, has suggested the valuation of the goods as detailed under:-

Sr. No.	**Description of Goods**	**Quantity in SQM**	**Per unit Declared value**	**Total CIF**	**Per unit avg suggestive CIF value of goods in bulk quantity in USD**	**Total Average suggestive CIF value of goods in bulk quantity in USD**
1	1.9 MM Unframed Mirror	5184	0.930748	4825	1.7 USD/SQM	8812.80 USD
2.	1.9 MM Unframed Mirror	5184	0.930748	4825	1.7 USD/SQM	8812.80 USD
	Total	10368		9650 USD		17,625.60 USD

11.7 In view of the above, I find that the value as provided by the Chartered Engineer has to be considered as the basis for arriving at the assessable value of these goods. I hold that the declared value in respect of the aforementioned goods is liable to be rejected under Rule 12 of the CVR, 2007 and the same is liable to be re-determined under Section 14 of the Customs Act, 1962 read with Rule 9 of the CVR, 2007. Thus, I find it appropriate to consider the value suggested by the Chartered Engineer for the present shipment and re-determine the same at Rs. 16,60,332/- (Rupees Sixteen Lakhs Sixty Thousand Three Hundred Thirty Two only).

11.8 The re-determined assessable value is based solely on the independent expert opinion of the empanelled Chartered Engineer, as no reliable contemporaneous imports of identical or similar goods with matching specifications could be established from NIDB data or previous imports by the

importer. The importer's acceptance of this valuation vide letter/email 15.06.2026 further supports its adoption.

11.9 On the basis of the re-determined assessable value of Rs. 16,60,332/-, the differential duty short-levied due to undervaluation and mis-classification is calculated as follows:

Component	**Amount (Rs.)**
Assessable Value	16,60,332/-
Basic Customs Duty (BCD)(15%)	2,49,050/-
Social Welfare Surcharge (SWS)(10%)	24,905/-
IGST(18%)	3,48,172/-
Total Duty	6,22,127/-
Duty declared in BE	2,81,617/-
Differential duty	**3,40,510/-**

The differential duty of Rs. 3,40,510/- is recoverable, in addition to the duty already self-assessed and paid on the declared value in the Bill of entry no. 8886881 dated 25.04.2026.

12. I also find that it is a fact that consequent upon amendment to the Section 17 of the Customs Act, 1962 vide Finance Act, 2011; 'Self-Assessment' has been introduced in Customs. Section 17 of the Customs Act, effective from 08.04.2011, provides for self-assessment of duty on imported goods by the importer himself by filing a Bill of Entry, in the electronic form. Provisions of the Section 46 of the Customs Act, 1962 makes it mandatory for the importer to make proper & correct entry for the imported goods by presenting a Bill of Entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011 (issued under Section 157 read with Section 46 of the Customs Act, 1962) the Bill of Entry shall be deemed to have been filed and after self-assessment of duty completed when, after entry of the electronic declaration (which is defined as particulars relating to the imported goods that are entered in the Indian Customs Electronic Data Interchange System) in the Indian Customs Electronic Data Interchange System either

through ICEGATE or by way of data entry through the service centre, a Bill of Entry number is generated by the Indian Customs Electronic Data Interchange System for the said declaration. Thus, under self-assessment, it is the importer who has to ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of Entry. Thus, with the introduction of self-assessment by amendments to Section 17, since 8th April, 2011, it is the added and enhanced responsibility of the importer to declare the correct description, value, quantity, notification, etc and to correctly classify, determine and pay the duty applicable in respect of the imported goods.

13. From the above, I find that the importer has violated Sub-Section (4) and 4(A) of Section 46 of the Customs Act as they had not complied with the restriction or prohibition of the goods. I find that the importer was required to comply with Section 46 which mandates that the importer filing the Bill of Entry must make true and correct declarations and ensure the following:

(i) Accuracy and completeness of the information declared;
(ii) The authenticity and validity of any document supporting the information provided; and
(iii) Comply with restrictions or prohibitions relating to the goods under this Act or any law in force at the time being.

14. I find that Section 111 of the Customs Act, 1962 prescribes the confiscation of improperly imported goods. The relevant clauses of Section 111 are reproduced below:

(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.

In view of the facts and material evidence on record, it is clearly established that the goods imported in the present shipment have been found mis-declared in respect of description, classification, valuation and other material particulars.

The imported goods were subject to the provisions of the Customs Act, 1962, including confiscation provisions for mis-declaration.

14.2 I find that the goods imported by M/s. Madiha Trading were not correctly declared in respect of their description, classification, and value. The importer had declared the consignment uniformly as " Decorative glass" under CTH 70031990; however, upon examination and laboratory testing, the goods were confirmed to comprise as Unframed mirror correctly classifiable under CTH 70099100. Further, the declared value did not correspond to the actual transaction value, as established by the rejection under Rule 12 of the CVR, 2007 and re-determination under Rule 9 at a higher value based on the Chartered Engineer's report.

14.3 I find that the mis-declaration of description, classification, and quantity in the Bill of Entry brings the goods within the ambit of Section 111(m) of the Customs Act, 1962, as the goods do not correspond in respect of description, classification, and other material particulars with the entry made under the Customs Act, 1962. Additionally, the undervaluation renders the goods not correctly included in respect of value in the entry, also attracts Section 111(m). The goods are dutiable and not prohibited; however, the mis-declaration in value, description and classification, makes them liable to confiscation. Accordingly, I find that the imported goods, having re-determined assessable value of Rs. 16,60,332/-, are liable for confiscation under Sections 111(m) of the Customs Act, 1962.

15. Since I have held above that importer have rendered the subject goods of the said Bill of Entry as liable for confiscation under Section 111(m) of the Customs Act, 1962, I find that the next issue to be decided is the invocation of Section 112 (a) of the Customs Act, 1962. Provisions of relevant sections are re-produced herein below:

"*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

(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:

From the above, it is evident that the importer has mis-declared the goods in respect of description, classification, valuation, and other particulars. Thus, by these acts of omission and commission, the importer has rendered the subject goods liable for confiscation and also rendered themselves liable for penal action under the provisions of Section 112(a) of the Customs Act, 1962. I find that the importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962, as the goods are dutiable (and not prohibited) and the mis-declaration has resulted in short-levy of duty sought to be evaded.

16. With respect to the applicability of duty rate and recovery of differential duty, I confirm the calculations as discussed in the foregoing paras and hold that the differential duty of Rs. 3,40,510/- is short-levied due to mis-declaration, mis-classification, and undervaluation. The same, in addition to the duty already self-assessed and paid on the declared value in the Bill of Entry No. 8886881 dated 25.04.2026, shall be recovered accordingly.

17. As the impugned goods have been found liable to confiscation under Sections 111(m) of the Customs Act, 1962, it becomes necessary to examine whether redemption fine under Section 125 of the said Act is imposable in lieu of confiscation. The statutory provision reads as under:

"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 [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... [provisos omitted for brevity]"

17.1 A plain reading of the above provision reveals that the imposition of redemption fine serves as an alternative to confiscation, providing the owner of

the goods an opportunity to redeem them on payment of a fine, wherever their clearance is not restricted under any policy or statutory provision.

17.2 In the instant case, the goods are dutiable but not restricted under the Customs Tariff Act, 1975 or the Foreign Trade (Development & Regulation) Act, 1992. There exists no restriction or prohibition under any policy framework which would prevent their clearance. Since the goods are non-prohibited, the mandatory provision under Section 125(1) comes into operation. Accordingly, the importer is entitled to the option of redemption of the confiscated goods on payment of an appropriate fine in lieu of confiscation.

In view of the foregoing, I find and hold that under Section 125(1) of the Customs Act, 1962, all goods (total value Rs. 16,60,332/-) are eligible for redemption upon payment of a Redemption Fine.

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

ORDER

(i) I reject the self-assessment made by the importer in Bill of Entry No. 8886881 dated 25.04.2026 under Section 17(1) of the Customs Act, 1962. Further, I order for re-assessment of the said Bill of Entry under the provisions of Section 17(4) of the Customs Act, 1962 with the re-determined classification and value as discussed in para 10.2 and 11.6. The duty arising consequent to such re-assessment shall be payable by the importer.

(ii) I reject the declared assessable value of Rs. 9,09,030/- (Rupees Nine Lakh Nine Thousand Thirty only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and order to re-determine the same at Rs. 16,60,332/- (Rupees Sixteen Lakh Sixty Thousand Three Hundred Thirty Two only) under Rule 9 ibid, read with Section 14 of the Customs Act, 1962.

(iii) I order to confiscate the goods imported vide Bill of Entry No. 8886881 dated 25.04.2026, having re-determined assessable value of Rs. 16,60,332/- (Rupees Sixteen Lakh Sixty Thousand Three Hundred Thirty Two only), under

Section 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the said goods on payment of a redemption fine of Rs. 1,60,000/- (Rupees One Lakh Sixty Thousand only) under Section 125 of the Customs Act, 1962.

(iv) I impose a penalty of Rs. 30,000/- (Rupees Thirty Thousand only) upon the importer, M/s. Madiha Trading (IEC: AQUPA3217D), under Section 112(a)(ii) of the Customs Act, 1962.

19. This Order is issued without prejudice to any other action that may be taken against the importer or the goods under the provisions of the Customs Act, 1962 or rules made thereunder or under any other law for the time being in force.

Digitally signed by
Dipakbhai Zala
Date: 24-06-2026
18:12:49

Additional Commissioner,

Customs House, Mundra

To,

M/s. Madiha Trading (IEC No. AQUPA3217D),

having address at Flat no. 1488,

4th floor, Bahadurgarh road,

Aziz Ganj Delhi-110006

Copy to:

1. The DC Docks Customs House, Mundra.
2. The Dy./Asstt. Commissioner (Review Cell), Customs House, Mundra.

3. The Deputy/Assistant Commissioner, TRC Mundra
4. The Deputy/Assistant Commissioner, EDI Mundra
5. Concerned file