

	<p>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, एमपी और एसईजेड, मुंद्रा, कच्छ-गुजरात -370421 OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, MP & SEZ MUNDRA, KUTCH-GUJARAT PHONE : 02838-271426/271428 FAX : 02838-271425 Mail: group3-mundra@gov.in</p>	
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A	फा. सं./ FILE NO.	F. No. CUS/APR/INV/305/2025-Gr 3
B	मूल आदेश संख्या/ ORDER-IN-ORIGINAL NO.	MCH/ADC/ZDC/86/2025-26
C	द्वारा पारित किया गया / PASSED BY	Dipak Zala Addl. Commissioner of Customs Mundra Customs House
D	आदेश की तिथि DATE OF ORDER	13.06.2025
E	जारी करने की तिथि DATE OF ISSUE	13.06.2025
F	कारण बताओ नोटिस संख्या & तिथि SCN NUMBER & DATE	SCN and PH Waiver sought vide letter dated 12.06.2025
G	आयातक / नोटिस प्राप्तकर्ता ImPORTER / NOTICEE	M/s Asha Trading Company 729/1, 531/1, Rajiv Colony Road, Rajiv Colony, Panipat – 132103
H	डिन संख्या / DIN NUMBER	20250671MO0000222D92

- यह आदेश संबंधित को निःशुल्क प्रदान किया जाता है।

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

- यदि कोई व्यक्ति इस आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 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 128A 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, ईश्वरभुवन रोड,

नवरंगपुरा, अहमदाबाद 380 009”

“THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA
HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN
ROAD,
NAVRANGPURA, AHMEDABAD-380 009.”

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/- रुपये 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 be accompanied by –

- (i) उक्त अपील की एक प्रति और A copy of the appeal, and
- (ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं०-6 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.

5. अपील ज्ञापन के साथ ड्यूटी/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये।

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

6. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमाशुल्क अधिनियम, 1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।

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

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

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

BRIEF FACTS OF THE CASE

M/s Asha Trading Company (IEC-APVPA3466J), (hereinafter referred to as ‘the Importer’) having address at 729/1, 531/1, Rajiv Colony Road, Rajiv Colony, Panipat - 132103, had filed Bill of Entry No. 6851256 dated 23.11.2024 for import of goods declared as (i) Baby Storage Box (Assorted Size and Design) (Detail as per Invoice & Packing List), (ii) Rubber Door Mat (Assorted Size and Design) (Detail as per Invoice & Packing List), (iii) Hand Towel (Assorted Size and Design) (Detail as per Invoice & Packing List), (iv) Baby Blanket (Assorted Size and Design) (Detail as per Invoice & Packing List) and (v) Baby Pillow (Assorted Size and Design) (Detail as per Invoice & Packing List), through their Customs Broker(CB) M/s. Express Cargo Movers, CB code AMQPD3950QCH001 (hereinafter referred as ‘the CB’). The details of the B/E are as follows:

Table-A

Sr No.	B/E No. & date	Bill of Lading No. & Date Container No.	Declared Goods	Quantity (as declared)	Declared Assessable Value (in Rs.)
1	6851256 dated 23.11.2024	A92EX22379 dated 06.11.2024	BABY STORAGE BOX (ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE & PACKING LIST)	1926 KGS	97,876
2			RUBBER DOOR MAT (ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE & PACKING LIST)	5652 KGS	2,58,585
3			HAND TOWEL (ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE& PACKING LIST)	60023 SET	99,084
4			BABY BLANKET (ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE &	3300 PCS	2,74,812

			PACKING LIST)		
5			BABY PILLOW ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE & PACKING LIST)	19800 PCS	1,73,664

2. The goods pertaining to the above Bill of Entry were examined by the Docks Examination Officers and it was noticed by them that the goods had been mis-declared in the Bill of Entry No. 6851256 dated 23.11.2024. As per their examination, the goods were found to be as follows: -

Table-B

Sr No.	Description as per Declaration	Bags/CTNS (Description as per physical goods found)	Quantity (Approx.)	UQC
1	BABY STORAGE BOX (ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE & PACKING LIST)	80 (having different types of baby storage boxes)	2,600	pcs
2	RUBBER DOOR MAT (ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE & PACKING LIST)	(a) 50 Boxes of interlocking Eva mats (as per the description found on physical goods)	500	pcs
		(b)148 (100+40+8) boxes of door/bath rubber mats (various colours/designs/shapes/sizes)	12408 (10000+2000+408)	pcs
		(c)10 boxes of folding printed mats (having printed animals/babies, which appear to be playing mats)	200	pcs
3	HAND TOWEL (ASSORTED	56 (having towels of different colors/sizes)	60,023	set

	SIZE AND DESIGN) (DETAIL AS PER INVOICE& PACKING LIST)			
4	BABY BLANKET (ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE & PACKING LIST)	(a) 02 bags/boxes (having only blankets)	500	pcs
		(b) 01 bags/boxes (having only outer skins of animal shapes which appears to be baby toys) These skins may be filled with the blankets and hence these skins may take shape of baby toys.	500	pcs
		(c) 46 bags/boxes (appears to be baby toys along with blankets in it)	2,300	pcs
5	BABY PILLOW ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE & PACKING LIST)	42 bags/boxes (appears to be baby toys along with blankets in it) they are in different shapes, different colors and different sizes.	19,800	pcs

3. During the course of examination, the goods were found to be mis-declared in terms of description and quantity. The value declared by the importer under Rule 3 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 (hereinafter referred to as ‘CV Rules’ for the sake of brevity) appears to be liable to be rejected in terms of Rule 12 of the Rules, *ibid*. Since the items found during the examination with no specification, the valuation of the same could not be determined in terms of Rule 4 to 8 of the CV Rules, *ibid*. Therefore, valuation of the goods appears to be done under residual method of valuation provided under Rule 9 of the CV Rules *ibid* and hence, opinion of the empanelled Chartered Engineer was sought for determination of the value of the imported goods. The Chartered Engineer vide his Report No. VC/CFS/MUN/ATC/@TKSJHG548*/6851256/1II/2024-25 dated 13.03.2025 has suggested the value of the imported goods as USD 20,485.38 as detailed in Table-C below: -

Table-C

Sr. no.	Description	Qty. (Set/No./ Unit.)	Invoice Value (USD) CF	Suggestive Estimated CF Value Unit Price (USD)	Total Suggestive Estimated CF Value in (USD)
1	Baby Storage Boxes (Assorted Size and Design) Made in China	2600 Pcs. (1926 Kgs.)	0.436 x 2600 = 1134	0.80	0.80 x 2600 = 2080
2	(a) Rubber Door Mats (50 Boxes of Interlocking Eva Mats) Made in China	13108 Pcs. (5652 Kgs.)	0.229 x 13108 = 2996	0.50	0.50 x 13108 = 6554
	(b) Rubber Door Mats (148 Boxes of Door/Bath Rubber Mats) Made in China				
	(c) Rubber Door Mats (10 Boxes of Folding Printed Mats) Made in China				
3	Hand Towel 56 Boxes (Having Towels of Different Colors/Sizes) Made in China	60023 Set. (1392 Kgs.)	0.019126 x 60023 = 1148	0.06	0.06 x 60023 = 3601.38
4	(a) Baby Blanket 02 Boxes (Having Only Blankets) Made in China	3300 Pcs. (2253 Kgs.)	0.964848 x 3300 = 3184	1.30	1.30 x 3300 = 4290
	(b) Baby Blanket 1 Boxes (Having only Outer Skins of Animal Shapes Which Appears to be Baby Toys) Made in China				
	(c) Baby Blanket 46 Boxes (Appears to				

	be Baby Toys Along with Blankets in it) Made in China				
5	Baby Pillow 42 Boxes (Appears to be Baby Toys Along with Blankets in it) Made in China	19800 Pcs. (1798 Kgs.)	0.101621 x 19800 = 2012.10	0.20	0.20 x 19800 = 3960
	TOTAL		10474.1		20485.38

4. It appears that the goods listed at Table-D below are covered Toys (Quality Control) Order, 2020 dated 25.02.2020. These goods cannot be imported unless the manufacturer of the goods is having licence from Bureau of Indian Standards, the certifying and enforcing authority as per these QCOs. The value of the goods as per empanelled CE’s report is as follows:-

Table-D

Sr. No.	Item Description - As found after examination	Appropriate CTH	Total PCS	Value per pc as per CE report in USD	Value in USD	Value in INR
1	50 Boxes of Interlocking Eva Mats	95030099	500	0.50	250	21,338
2	10 Boxes of Folding Printed Mats	95030099	200	0.50	100	8,535
3	1 Boxes (Having only Outer Skins of Animal Shapes Which Appears to be Baby Toys)	95030099	500	1.30	650	55,478
4	46 Boxes (Appears to be Baby Toys Along with Blankets in it)	95030099	2,300	1.30	2,990	2,55,197
5	42 Boxes (Appears to be Baby Toys Along	95030099	19,800	0.20	3,960	3,37,986

	with Blankets in it) they are in different shapes, different sizes					
TOTAL			23,300		7,950	6,78,534

5. As the goods appear to have been mis-declared in terms of description, the appropriate classification under CTH is required to be ascertained. As per the Customs Tariff, the appropriate CTH in respect of the goods appears to be as follows:-

Table-E

Sr. no.	Description	Appropriate CTH
1	Baby Storage Boxes (Assorted Size and Design)	39269099
2	Rubber Door Mats (50 Boxes of Interlocking Eva Mats)	95030099
3	Rubber Door Mats (148 Boxes of Door/Bath Rubber Mats)	40169100
4	Rubber Door Mats (10 Boxes of Folding Printed Mats)	95030099
5	Hand Towel 56 Boxes (Having Towels of Different Colors/Sizes)	63049260
6	Baby Blanket 02 Boxes (Having Only Blankets)	63014000
7	Baby Blanket 1 Boxes (Having only Outer Skins of Animal Shapes Which Appears to be Baby Toys)	95030099
8	Baby Blanket 46 Boxes (Appears to be Baby Toys Along with Blankets in it)	95030099
9	Baby Pillow 42 Boxes (Appears to be Baby Toys Along with Blankets in it)	95030099

6. The applicable Customs Duties in respect of the imported goods is liable to be re-determined as the goods were found to be mis-declared. Goods listed in Table-D are covered under Toys (Quality Control) Order, 2020 dated 25.02.2020 issued in this regard and accordingly the same cannot be imported unless the manufacturer possesses valid licence issued by the Bureau of Indian Standards. The applicable duty rates in respect of the remaining imported goods appears to be as follows:-

Table-F

Sr. No.	Description	Appropriate CTH	BCD	SWS	IGST
1	Baby Storage Boxes (Assorted Size and Design)	39269099	15	1.5	18
2	Rubber Door Mats (148 Boxes of Door/Bath Rubber Mats)	40169100	10	1	18
3	Hand Towel 56 Boxes (Having Towels of Different Colors/Sizes)	63049260	10	1	12
4	Baby Blanket 02 Boxes (Having Only Blankets)	63014000	20	2	12

7. Applicable Duty at the applicable rates on the imported goods comes to Rs. 3,25,645/- as detailed in Table-G below: -

Table-G

Sr. No.	Description	Appropriate CTH	Quantity	Assessable Value in USD	Assessable Value in INR	BCD	SWS	IGST	Total Duty
1	Baby Storage Boxes (Assorted Size and Design)	39269099	2,600	2080	1,77,528	26,629	2,663	37,228	66,520
2	Rubber Door Mats (148 Boxes of Door/Bath Rubber Mats)	40169100	12408	6204	5,29,511	52,951	5,295	1,05,796	1,64,042
3	Hand Towel 56 Boxes (Having Towels of Different Colors/Sizes)	63049260	60,023	3601.38	3,07,378	30,738	3,074	40,943	74,755
4	Baby Blanket 02 Boxes (Having Only Blankets)	63014000	500	650	55,478	11,096	1,110	8,122	20,328

			75			1,		1,	
			,5		10,69,	21	12	92	
			31		895	,4	,1	,0	3,25,
	Total					14	42	89	645

Accordingly, it appears that the importer is liable to pay Customs Duty amounting to Rs. 3,25,645/- on the imported goods.

8. During the course of investigation, statement of Shri Gajendrasingh Ummedsingh Rathore, S/o Shri Ummedsingh Rathore, authorised representative of M/s Asha Trading Company was recorded, wherein, he inter-alia stated that:-

- He agreed that the goods have been mis-declared in the bill of entry no. 6851256 dated 23.11.2024;
- He agree that the goods specified in question 4 of the statement i.e were toys and were covered under the Toys (Quality Control) Order, 2020. He also stated that the exporter/manufacturer was not having licence for these goods. He requested that they may be allowed to re-export these goods and remaining goods may be allowed to be cleared for home consumption;
- M/s. Asha Trading Company does not want any Show Cause Notice and personal hearing and the same may kindly be waived in the present case. They would not file any appeal and will not claim any refund in this matter in future.

9. **LEGAL PROVISIONS**

The relevant provisions of law pertaining to the present matter are summarized as under:-

(A) RELEVANT PROVISIONS OF BIS Act, 2016

"15. Prohibition to import, sell, exhibit, etc.

(1) No person shall import, distribute, sell, store or exhibit for sale, any goods or article under sub-section (1) of section 14, except under certification from the Bureau."

(B) RELEVANT PROVISIONS OF SEZ ACT, 2005:

2. Definitions.— In this Act, unless the context otherwise requires,—

.....

(o) **“import”** means—

(i) *bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise; or*

(ii) *receiving goods, or services by a Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;*

Section 21: Single enforcement officer or agency for notified offences.—

1. *The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
2. *The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.*
3. *Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.*

Section 22: Investigation, inspection, search or seizure.—

The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the investigation, inspection, search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:

Provided that no investigation, inspection, search or seizure shall be carried out in a Special Economic Zone by any agency or officer other than those referred to in sub-section (2) or sub-section (3) of section 21 without prior approval of the Development Commissioner concerned:

Provided further that any officer or agency, if so authorised by the Central Government, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit without prior intimation or approval of the Development Commissioner

Notification Nos. 2665(E) and 2667(E) dated 05.08.2016:

1. *In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government by Notification No. 2667(E) dated 05.08.2016 issued by the Ministry of Commerce & Industry, has authorized the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned. Under Section 21(1) of the SEZ Act, 2005, the Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
2. *The Central Government, by the Notification 2665(E) dated 05.08.2016 has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111, 113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.*

47 (5) *Refund, Demand, Adjudication, Review and Appeal with regard to matters relating to authorise operations under Special Economic Zones Act, 2005, transactions, and goods and services related thereto, shall be made by the Jurisdictional Customs and Central Excise Authorities in accordance with the relevant provisions contained in the Customs Act, 1962, Central Excise Act, 1944, and the Finance Act, 1994 and the rules made thereunder or the notifications issued thereunder.*

(C) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

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

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

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

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

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

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

Section 17. Assessment of duty. –

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

..

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

Section 46. Entry of goods on importation:

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

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

- (a) The accuracy and completeness of the information given therein;*
- (b) The authenticity and validity of any document supporting it; and*
- (c) Compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.*

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

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

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

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

Section 112. Penalty for improper importation of goods, etc. –

Any person, -

- a. who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or
- b. who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

shall be liable, -

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

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

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

(D) 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 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.

10. Summary of Investigations Conducted:

10.1 M/s. Asha Trading Company, had filed SEZ warehouse Bill of Entry No. 6851256 dated 23.11.2024. On the basis of the examination report, and investigation carried out in this regard, the imported goods appear to be mis-declared in respect of description and CTH as declared in the said BE. The imported goods are actually found to be different than the goods declared in the BE. Further, value declared by the importer in the BE appears liable to be rejected

and the value ascertained by the empanelled Chartered Engineer, i.e. Rs. 17,48,429 (USD 20485.38) appears to be the appropriate assessable value of the goods. It also appears that the importer is liable to pay Customs Duty amounting to Rs. 3,25,645/-.

10.2. Thus, by the act of omission and commission at the level of importer, it appears that, the importer has contravened the provisions of Section 46 and Section 17 of the Customs Act, 1962, in as much as, they failed to make correct and true declaration and information to the Customs Officer in the form of Bill of Entry and also failed to declare their duty liability correctly and accordingly the goods imported by the importer appear liable to be confiscation under Section 111(m) of the Customs Act, 1962 and the importer M/s. Asha Trading Company have rendered themselves liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. Further, it appears that the importer has used Bill of Lading, invoices and packing list while filing Bill of Entry, these documents contain incorrect or false material particulars regarding the quantity, and description of the goods imported by them. Accordingly, the importer appears to have rendered themselves liable for penalty under Section 114AA of the Customs Act, 1962.

10.3. It also appears that the importer has imported goods as detailed in Table-D of this report have been imported in contravention of the Toys (Quality Control) Order, 2020 and the same appear to be liable confiscation under Section 111(d) of the Customs Act, 1962. Further, their value was also not declared correctly, accordingly, the same also appear liable to confiscation under Section 111(m) of the Customs Act, 1962.

11. In view of above, it appears that:

- a) The classification of the goods as declared by the importer in the Bill of Entry No. 6851256 dated 23.11.2024 is liable to be rejected and the goods are liable to be re-classified as detailed in Table-E of this report;
- b) The assessable value of these mis-declared imported goods is liable to be re-determined as Rs. 17,48,429/- under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962;
- c) Total Customs duty involved in the imported goods comes to Rs. 3,25,645/- (Rupees Three Lakh Twenty-Five Thousand Six Hundred and Forty-Five only);
- d) The BE no. 6851256 dated 23.11.2024 is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962;
- e) The goods as detailed at Table-G and having assessable value of Rs. 10,69,895/- have been imported by way of mis-declaration in contravention

of Sec 46 of the Customs Act, 1962 and are therefore liable for confiscation under Section 111(m) of the Customs Act, 1962;

- f) The goods as detailed at Table-D and having value of Rs. 6,78,534/- have been imported in contravention of the Toys (Quality Control) Order, 2024 and are liable for confiscation under Section 111(d) and Section 111(m) of the Customs Act, 1962;
- g) The importer has rendered themselves for penalty under Section 112 of the Customs Act, 1962;
- h) The importer has rendered themselves for penalty under Section 114AA of the Customs Act, 1962.

12. Discussions and Findings

12.1 I have carefully gone through the Investigation report dated 29.05.2025 issued by Deputy Commissioner of Customs (SIIB), Mundra Customs House and other records of the case. I find that representative of Importer M/s Asha Trading Company in his statement dated 13.05.2025 has requested for waiver of issuance of Show Cause Notice and personal hearing. Further, Importer vide letter dated 12.06.2025 has also requested for waiver of SCN and personal hearing. Hence I proceed to decide the case on the basis of the documentary evidences available on records. The main issues before me in this case are to be decided as mentioned below:

- a) Whether the classification of the goods as declared by the importer in the Bill of Entry No. 6851256 dated 23.11.2024 is liable to be rejected and the goods are liable to be re-classified as detailed in Table-E.
- b) Whether the assessable value of these mis-declared imported goods imported vide Bill of Entry No. 6851256 dated 23.11.2024 is liable to be re-determined as Rs. 17,48,429/- (*Rupees Seventeen Lakh Forty-Eight Thousand Four Hundred and Twenty-Nine Only*) (instead of Rs. 9,04,021/- as declared in the BE) under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.
- c) Whether total Customs duty involved in the imported goods comes to Rs. 3,25,645/- (*Rupees Three Lakh Twenty-Five Thousand Six Hundred and Forty-Five only*).
- d) Whether the said Bill of Entry No. 6851256 dated 23.11.2024 is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962.
- e) Whether the goods as detailed at Table-G and having assessable value of Rs. 10,69,895/- have been imported by way of mis-declaration in contravention of Sec

46 of the Customs Act, 1962 and are therefore liable for confiscation under Section 111(m) of the Customs Act, 1962.

f) Whether the goods as detailed at Table-D and having value of Rs. 6,78,534/- have been imported in contravention of the Toys (Quality Control) Order, 2024 and are liable for confiscation under Section 111(d) and Section 111(m) of the Customs Act, 1962.

g) Whether the importer M/s. Asha Trading Company (IEC No. APVPA3466J) is liable for Penalty under Section 112 and 114AA of the Customs Act, 1962.

12.2I find that M/s Asha Trading Company (IEC-APVPA3466J) had filed Bill of Entry No. 6851256 dated 23.11.2024 for import of goods declared as (i) Baby Storage Box (Assorted Size and Design) (ii) Rubber Door Mat (Assorted Size and Design) (iii) Hand Towel (Assorted Size and Design) (iv) Baby Blanket (Assorted Size and Design) and (v) Baby Pillow (Assorted Size and Design) through their Customs Broker(CB) M/s. Express Cargo Movers, CB code AMQPD3950QCH001.

12.3 I find that during examination, it was noticed that the goods had been mis-declared in the Bill of Entry No. 6851256 dated 23.11.2024. As per examination, the goods were found to be as follows: -

Sr No.	Description as per Declaration	Bags/CTNS (Description as per physical goods found)	Quantity (Approx.)	UQC
1	BABY STORAGE BOX (ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE & PACKING LIST)	80 (having different types of baby storage boxes)	2,600	pcs
2	RUBBER DOOR MAT (ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE & PACKING	(a) 50 Boxes of interlocking Eva mats (as per the description found on physical goods)	500	pcs
		(b)148 (100+40+8) boxes of door/bath rubber mats (various colours/designs/shapes/	12408 (10000+2000+408)	pcs

		sizes)		
	LIST)	(c)10 boxes of folding printed mats (having printed animals/babies, which appear to be playing mats)	200	pcs
3	HAND TOWEL (ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE& PACKING LIST)	56 (having towels of different colors/sizes)	60,023	set
4	BABY BLANKET (ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE & PACKING LIST)	(a) 02 bags/boxes (having only blankets)	500	pcs
		(b) 01 bags/boxes (having only outer skins of animal shapes which appears to be baby toys) These skins may be filled with the blankets and hence these skins may take shape of baby toys.	500	pcs
		(c) 46 bags/boxes (appears to be baby toys along with blankets in it)	2,300	pcs
5	BABY PILLOW ASSORTED SIZE AND DESIGN) (DETAIL AS PER INVOICE & PACKING LIST)	42 bags/boxes (appears to be baby toys along with blankets in it) they are in different shapes, different colors and different sizes.	19,800	pcs

12.4I find that the goods were mis-declared in terms of quantity and description, hence there was reasonable doubt regarding truth and accuracy of the value declared, and hence liable for rejected in terms of Rule 12 of the CVR, 2007. 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. 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 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. 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:”

Whereas, as per the provisions of Rule 9 ibid, the assessable value of the impugned goods is required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Chartered Engineer, who submitted his Valuation report vide reference No. VC/CFS/MUN/ATC/@TKSJHG548*/6851256/1II/2024-25 dated 13.03.2025 wherein he has suggested the value of the imported goods as USD 20,485.38 as detailed below: -

Sr. no.	Description	Qty. (Set/No./ Unit.)	Invoice Value (USD) CF	Suggestive Estimated CF Value Unit Price (USD)	Total Suggestive Estimated CF Value in (USD)
1	Baby Storage Boxes (Assorted Size and Design)	2600 Pcs. (1926	0.436 x 2600 = 1134	0.80	0.80 x 2600 = 2080

	Made in China	Kgs.)			
2	(a) Rubber Door Mats (50 Boxes of Interlocking Eva Mats) Made in China	13108 Pcs. (5652 Kgs.)	0.229 x 13108 = 2996	0.50	0.50 x 13108 = 6554
	(b) Rubber Door Mats (148 Boxes of Door/Bath Rubber Mats) Made in China				
	(c) Rubber Door Mats (10 Boxes of Folding Printed Mats) Made in China				
3	Hand Towel 56 Boxes (Having Towels of Different Colors/Sizes) Made in China	60023 Set. (1392 Kgs.)	0.019126 x 60023 = 1148	0.06	0.06 x 60023 = 3601.38
4	(a) Baby Blanket 02 Boxes (Having Only Blankets) Made in China	3300 Pcs. (2253 Kgs.)	0.964848 x 3300 = 3184	1.30	1.30 x 3300 = 4290
	(b) Baby Blanket 1 Boxes (Having only Outer Skins of Animal Shapes Which Appears to be Baby Toys) Made in China				
	(c) Baby Blanket 46 Boxes (Appears to be Baby Toys Along with Blankets in it) Made in China				
5	Baby Pillow 42 Boxes (Appears to be Baby Toys Along with Blankets in it) Made in China	19800 Pcs. (1798 Kgs.)	0.101621 x 19800 = 2012.10	0.20	0.20 x 19800 = 3960
	TOTAL		10474.1		20485.38

12.5 Further I find that some of items imported as mentioned in the above table was covered under Toys (Quality Control) Order, 2020 dated 25.02.2020. These goods cannot be imported unless the manufacturer of the goods is having licence from Bureau of Indian Standards, the certifying and enforcing authority as per these QCOs. Further, Importer has not produced BIS certification for the items covered under Toys (Quality Control) Order, 2020. The value of the goods as per empanelled CE’s report is as follows: -

Sr. No.	Item Description - As	Appropriate CTH	Total PCS	Value per pc	Value in	Value in INR
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	found after examination			as per CE report in USD	USD	
1	50 Boxes of Interlocking Eva Mats	95030099	500	0.50	250	21,338
2	10 Boxes of Folding Printed Mats	95030099	200	0.50	100	8,535
3	1 Boxes (Having only Outer Skins of Animal Shapes Which Appears to be Baby Toys)	95030099	500	1.30	650	55,478
4	46 Boxes (Appears to be Baby Toys Along with Blankets in it)	95030099	2,300	1.30	2,990	2,55,197
5	42 Boxes (Appears to be Baby Toys Along with Blankets in it) they are in different shapes, different sizes	95030099	19,800	0.20	3,960	3,37,986
TOTAL			23,300		7,950	6,78,534

12.6 I find that as the goods appear to have been mis-declared in terms of description, the appropriate classification under CTH is required to be ascertained. As per the Customs Tariff, the appropriate CTH in respect of the goods are as follows: -

Sr. no.	Description	Appropriate CTH
1	Baby Storage Boxes (Assorted Size and Design)	39269099
2	Rubber Door Mats (50 Boxes of Interlocking Eva Mats)	95030099
3	Rubber Door Mats (148 Boxes of Door/Bath Rubber Mats)	40169100
4	Rubber Door Mats (10 Boxes of Folding Printed Mats)	95030099
5	Hand Towel 56 Boxes (Having Towels of Different Colors/Sizes)	63049260
6	Baby Blanket 02 Boxes (Having Only Blankets)	63014000
7	Baby Blanket 1 Boxes (Having only Outer Skins of Animal Shapes Which Appears to be Baby Toys)	95030099
8	Baby Blanket 46 Boxes (Appears to be Baby Toys Along with Blankets in it)	95030099
9	Baby Pillow 42 Boxes (Appears to be Baby Toys Along with Blankets in it)	95030099

12.7 The applicable Customs Duties in respect of the imported goods is liable to be re-determined as the goods were found to be mis-declared. Goods listed in Table-D are covered under Toys (Quality Control) Order, 2020 dated 25.02.2020 issued in this regard and accordingly the same cannot be imported unless the manufacturer possesses valid licence issued by the Bureau of Indian Standards. The applicable duty rates in respect of the remaining imported goods is as follows:

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Sr. No.	Description	Appropriate CTH	BCD	SWS	IGST
1	Baby Storage Boxes (Assorted Size and Design)	39269099	15	1.5	18
2	Rubber Door Mats (148 Boxes of Door/Bath Rubber Mats)	40169100	10	1	18
3	Hand Towel 56 Boxes (Having Towels of Different Colors/Sizes)	63049260	10	1	12
4	Baby Blanket 02 Boxes (Having Only Blankets)	63014000	20	2	12

12.8 Applicable Duty at the applicable rates on the imported goods (other than toys) comes to Rs. 3,25,645/- as detailed below: -

Sr. No.	Description	Appropriate CTH	Quantity	Assessable Value in USD	Assessable Value in INR	BCD	SWS	IGST	Total Duty
1	Baby Storage Boxes (Assorted	39269099	2,600	2080	1,77,528	26,6	2,66	37,2	66,520

	Size and Design)					29	3	28	
2	Rubber Door Mats (148 Boxes of Door/Bath Rubber Mats)	40169100	12 40 8	6204	5,29,511	52,951	5,295	1,05,796	1,64,042
3	Hand Towel 56 Boxes (Having Towels of Different Colors/Sizes)	63049260	60,023	3601.38	3,07,378	30,738	3,074	40,943	74,755
4	Baby Blanket 02 Boxes (Having Only Blankets)	63014000	500	650	55,478	11,096	1,110	8,122	20,328
	Total		75,531		10,69,895	1,21,414	12,142	1,92,089	3,25,645

12.9 I find that in the statement dated 13.05.2025 recorded under Section 108 of the Customs Act, 1962, authorized representative of M/s Asha Trading Company stated that the goods have been mis-declared in the Bill of Entry No. 6851256 dated 23.11.2024. He stated that goods in table D is toys and covered under Toys Quality Control Order, 2020 and the supplier has not got BIS for the same. He requested that the same may be allowed for re-export purpose. He stated that they don't want any SCN and PH in the matter. Vide letter dated 12.06.2025, they again requested to waive the Show Cause Notice and personal hearing. Further Importer vide letter dated 12.06.2025 has stated that during statement they have submitted that goods which don't comply with Toys Quality Control Order, 2020 will be re-exported after adjudication process. However, overseas supplier is not responding to their calls and hence they will be unable to re-export the goods. Accordingly, the goods may be confiscated absolutely as per the provisions of Customs Act, 1962. They are ready to pay penalty as per the provisions of customs act, 1962. They requested to take lenient view during adjudication process as the goods were mistakenly sent by overseas supplier and further supplier is not responding to their calls. They further stated they have suffered a lot for the mistake of supplier. They requested to take lenient view during adjudication.

12.10. From the discussions above, I find that the Imported goods were mis-declared in terms of quantity and description. Further, value declared by the importer in the Bill of Entry is liable to be rejected under Rule 12 of CVR, 2007 and the same is liable to be re-determined following the sequential rules under CVR, 2007 to. Rs. 17,48,429 (USD 20485.38). Importer is liable to pay total customs duty amounting to Rs. 3,25,645/-. Further out of imported goods of value of Rs. 17,48,429/-, goods of value Rs. 10,69,895/- as given in Table G are found mis-declared in terms of quantity and valuation, Hence the same are liable to be

confiscated under Section 111 (m) of the Customs Act, 1962. Further, Importer has rendered themselves penalty under Section 112 (a) (ii) of the Customs Act, 1962 which stipulates that any person who, in relation to any dutiable 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 will be liable for penalty for improper importation of goods. Moreover, importer has imported goods of re-determined value Rs 6,78,354/- as detailed in Table-D in contravention of the Toys (Quality Control) Order, 2020 and the same are liable for confiscation under Section 111(d) of the Customs Act, 1962. Further, their value was also not declared correctly, accordingly, the same also appear liable to confiscation under Section 111(m) of the Customs Act, 1962. Hence, Importer has also rendered themselves penalty under Section 112 (a) (i) of the Customs Act, 1962 which stipulates that any person who, in relation to any prohibited 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 will be liable for penalty for improper importation of goods. Importer has used Bill of Lading, invoices and packing list while filing Bill of Entry, these documents contain incorrect or false material particulars regarding the quantity, and description of the goods imported by them. Accordingly, the importer appears to have rendered themselves liable for penalty under Section 114AA of the Customs Act, 1962 which stipulates that if a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or documents which is false or incorrect in any material particular in the transaction of any businesses for the purpose of this Act would be liable for penalty

13. In view of the above discussions, I pass the following order:

ORDER

13.1 I hold that the classification of the imported goods as declared by the importer in the Bill of Entry No. 6851256 dated 23.11.2024 is liable to be rejected and the goods are liable to be re-classified as detailed in para 12.6.

13.2 I hold that the declared value of the imported goods vide Bill of Entry No. 6851256 dated 23.11.2024 i.e. **Rs. 9,04,021/-** (*Rupees Nine Lakh Four Thousand and Twenty-One Only*) is liable to be rejected under Rule 12 of CVR, 2007 and the value of these mis-declared goods in terms of quantity, description and classification is liable to be re-determined to **Rs. 17,48,429/-** (*Rupees Seventeen Lakh Forty-Eight Thousand Four Hundred and Twenty-Nine Only*) under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

13.3 I order to confiscate the goods as mentioned in para 12.8 and having re-determined value of **Rs. 10,69,895/-** (*Rupees Ten Lakh Sixty-Nine Thousand Eight Hundred and Ninety-Five Only*) under Section 111 (m) of the Customs Act, 1962.

Further, I give an option to redeem the goods on payment of redemption fine of **Rs. 1,00,000/-** (*Rupees One Lakh Only*) under Section 125 of the Customs Act, 1962.

13.4 I impose penalty of **Rs. 18,000/-** (*Rupees Eighteen Thousand Only*) on M/s Asha Trading Company under Section 112 (a) (ii) of the Customs Act, 1962.

13.5 I order to confiscate the goods absolutely as mentioned in para 12.5 and having re-determined value of **Rs. 6,78,534/-** (*Rupees Six Lakh Seventy-Eight Thousand Five Hundred and Thirty-Four Only*), under Section 111 (d) and Section 111 (m) of the Customs Act, 1962. I further order for destruction of goods as per the guidelines of Directorate of Vigilance and the cost of destruction has to be borne by importer which shall be paid by/recovered from them.

13.6 I impose penalty of **Rs. 1,00,000/-** (*Rupees One Lakh Only*) on M/s Asha Trading Company under Section 112 (a) (i) of the Customs Act, 1962.

13.7 I order to re-assess the Bill of Entry 6851256 dated 23.11.2024 accordingly under Section 17(4) of the Customs Act, 1962 with total consequential duty of **Rs. 3,25,645/-** (*Rupees Three Lakh Twenty-Five Thousand Six Hundred and Forty-Five Only*).

13.8 I impose penalty of **Rs. 50,000/-** (*Rupees Fifty Thousand Only*) on M/s Asha Trading Company under Section 114AA of the Customs Act, 1962.

14. This OIO is issued without prejudice to any other action that may be taken against the claimant under the provisions of the Customs Act, 1962 or rules made there under or under any other law for the time being in force.

(Dipak Zala)
Addl. Commissioner of Customs
Customs House, Mundra

BY Speed Post A.D / E-mail

To, (The Noticee):-

M/s Asha Trading Company
729/1, 531/1, Rajiv Colony Road,
Rajiv Colony, Panipat – 132103

Copy to:

1. The Addl. Commissioner (SIIB), Customs House, Mundra.
2. The Deputy/Assistant Commissioner, TRC Mundra
3. The Deputy Commissioner, RRA Customs House, Mundra.
4. The Deputy/ Assistant Commissioner (EDI), Custom House, Mundra.

- 5. Notice Board.
- 6. Guard File