प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
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सत्यमेव जयते

A	फा. सं./ FILE NO.	CUS/APR/INV/734/2026-Gr 5-6
B	मूल आदेश सं. ORDER-IN-ORIGINAL NO.	MCH/ADC/ZDC/448/2026-27
C	द्वारा पारित किया गया PASSED BY	Dipak Zala Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	29.10.2026
E	जारी करने की तिथि DATE OF ISSUE	29.10.2026
F	कारण बताओ नोटिस सं. एवं तिथि SCN NUMBER & DATE	SCN and PH waiver vide email dated 15.10.2026
G	नोटिसी/पार्टी / आयातक NOTICEE/ PARTY/ IMPORTER	Shailly Impex (IEC: APCPA8361F), Kh. No. 146/1, Ground Floor, Street No. 7, Village Siraspur, Siraspur Road, New Delhi – 110042

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

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 129A(1) के अंतर्गत प्रपत्र सीए 3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

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

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

"The Commissioner of Customs (Appeals), Mundra, 4TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009."

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

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

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

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

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

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

7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।

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

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

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

BRIEF FACTS OF THE CASE

Issue in Brief and Details of Bill of Entry:

On the basis of Specific information received to this office, the goods imported by M/s. Shailly Impex, Kh. No. 146/1, Ground Floor, Street No. 7, Village Siraspur, Siraspur Road, New Delhi – 110042 (IEC: APCPA8361F), (herein after referred as "the importer" for brevity) under Bill of Entry No. Z-3720634 dated 11.09.2026, filed at APSEZ (INAJM6), identified as high risk for mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods. The goods were destined to M/s. OWS Warehouse Services LLP, SEZ Unit, APSEZ, Mundra (Kutch) Port- INAJM6. The goods were shipped from Nansha, China and supplied by M/s. Guangzhou Dechuang Auto Parts Co., Ltd., China by declaring total assessable value of Rs. 8,06,128/- The details of the goods declared in the Bill of entry no. Z-3720634 dated 11.09.2026 are detailed below:

Table-I

Sr. No	CTH	Description	Quantity	UQC
1	85122090	HEADLIGHT BULB	4,930	SET
2	85122020	FOG LAMP	3,120	SET
3	39269099	KEY COVER	2,097	PCS
4	87089900	CAR ACCESSORIES	300	SET

5	39269099	MOBILE HOLDER FOR BIKE	2,300	PCS
6	85122090	FOG LAMP FOR BIKE	2,000	SET
7	85198990	WIRED MP5 PLAYER FOR CAR	50	PCS
8	85122090	LENS (GLASS) FOR FOG LAMP	7,000	PCS
9	85122090	CAR HEADLIGHT DRL LAMP	7,000	SET
10	85122090	CAR DASHBOARD AMBIENT LIGHT	500	SET
11	87089900	SHOCK ABSORBER	23	PCS
12	87089900	ENGINE MOUNTING	780	PCS
13	82122020	ASS. COB MODULE	12,500	PCS
14	85441990	AMPLIFIER WIRING KIT	1,000	SET
15	85365090	HI-LOW CONVERTER	300	PCS

Examination of the Goods:

2.1 Whereas, the examination of the Bill of Entry No. Z-3720634 dated 11.09.2026 was conducted on 24.09.2026 under Panchnama in the presence of two independent panchas, Shri Mahesh Gadhavi, Authorized Representative of the importer and Shri Devender Singh Negi, Authorized Representative of the SEZ unit M/s. OWS Warehouse Services LLP. The goods, received in container no. FFAU7971309, were examined as per the commercial invoice and packing list. The details of weighment verified from weighment slip is as below:

Sr. No	Container no.	Description	Declared weight in BE	Weighment as per Examination
1	FFAU7971309	Auto lamps, auto parts and accessories (15 items as per BE)	16,120 Kgs (Gross weight as per BL/BE)	16,030 Kgs (as per weighment slip)

2.2 During the inspection, the seal No. OOLKZN5275 affixed on the container No. FFAU7971309 by SIIB officers was found intact and tallied with the actual seal affixed on the container. The seal was then cut with a seal cutter, and upon opening the container doors, it was observed that the container was fully stuffed with boxes. The cargo was de-stuffed with the help of labourers and arranged as per the type of packaging in the warehouse of the SEZ unit. On physical count, a total of 885 boxes of different sizes were found, as against 732 packages declared in the Bill of Entry and Bill of Lading. Thereafter, the carton boxes were opened and it was found that they contained different types of goods. The goods were segregated item-wise and the goods found during examination are detailed as under:

Table-II

Sr. No	Description of goods found	No. of Boxes	Average Qty per Box	Total Quantity found
1	Car Headlight Bulb	216	45	9,720 Set
2	Fog Lamp	310	10	3,100 Set
3	Key Cover	8	300	2,400 Pcs
4	Car Accessories - Wires	15	20	300 Set
5	Mobile Holder for Bike	23	100	2,300 Pcs
6	Fog Lamp for Bike	97	80	7,760 Set
7	Wired MP5 Player for Car	5	10	50 Pcs
8	Lens (Glass) for Fog Lamp	16	444	7,104 Pcs
9	Car Headlight DRL Lamp	80	104	8,320 Set

10	**Car Dashboard Ambient Light**	**0**	**0**	**Nil (not found)**
11	Shock Absorber	6	4 (3 pcs in 1 pkg)	23 Pcs
12	Engine Mounting	52	15	780 Pcs
13	Ass. COB Module for Bike	5	500	2,500 Pcs
14	Amplifier Wiring Kit	50	20	1,000 Set
15	Hi-Low Converter	2	200	400 Pcs
	Total	885 Boxes		

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

i. As against 732 packages declared in the Bill of Entry and Bill of Lading, a total of 885 boxes were found in the container.

ii. Car Headlight Bulb was declared as 4,930 Sets, whereas 9,720 Sets were found, i.e. an excess of 4,790 Sets over the declared quantity.

iii. Fog Lamp for Bike was declared as 2,000 Sets (40 packages as per packing list), whereas 7,760 Sets were found in 97 boxes, i.e. an excess of 5,760 Sets over the declared quantity.

iv. Car Headlight DRL Lamp was declared as 7,000 Sets, whereas 8,320 Sets were found, i.e. an excess of 1,320 Sets.

v. Key Cover, Lens (Glass) for Fog Lamp and Hi-Low Converter were declared as 2,097 Pcs, 7,000 Pcs and 300 Pcs respectively, whereas 2,400 Pcs, 7,104 Pcs and 400 Pcs respectively were found, i.e. in excess of the declared quantity.

vi. Fog Lamp was declared as 3,120 Sets, whereas 3,100 Sets were found. Ass. COB Module was declared as 12,500 Pcs, whereas only 2,500 Pcs of Ass. COB Module for Bike were found. Further, Car Dashboard Ambient Light declared as 500 Sets was not found in the container at all.

vii. The quantity of Car Accessories – Wires, Mobile Holder for Bike, Wired MP5 Player for Car, Shock Absorber, Engine Mounting and Amplifier Wiring Kit was found as per the declaration. However, the goods declared as “Car Accessories” were found to be wires/wiring sets for cars.

2.4 The examination thus revealed significant discrepancies in the description, nature and quantity of the imported goods as compared to the declarations made in the Bill of Entry and the accompanying import documents. The presence of goods in excess of the declared quantity, coupled with the discrepancies in the declared description and quantity, prima facie indicates a deliberate attempt by the importer to mis-declare the goods with the intention of evading the applicable Customs duties. After conclusion of the examination, the authorized representatives of the importer and the SEZ unit were directed to keep the goods under safe custody and not to move, deliver or part with the same without written permission of SIIB, Custom House, Mundra, as further investigation was in progress.

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

3.1 The importer has declared 15 items in the said BE. However, during the course of examination, some of the goods were found mis-declared in terms of description and quantity, and one declared item, viz. Car Dashboard Ambient Light, was not found. Accordingly, the description, quantity and classification of the goods found during examination have been re-determined as under:

Table-III

Sr. No.	Re-determined Description	Re-determined CTH	Re-determined Quantity	Unit
1	CAR HEADLIGHT BULB	85395200	9,720	Set
2	FOG LAMP	85122020	3,100	Set
3	KEY COVER	39269099	2,400	Pcs
4	CAR ACCESSORIES - WIRES	87089900	300	Set
5	MOBILE HOLDER FOR BIKE	39269099	2,300	Pcs
6	FOG LAMP FOR BIKE	85122020	7,760	Set
7	WIRED MP5 PLAYER FOR CAR	85198990	50	Pcs
8	LENS (GLASS) FOR FOG LAMP	85129000	7,104	Pcs
9	CAR HEADLIGHT DRL LAMP	85122090	8,320	Set
10	SHOCK ABSORBER	87088000	23	Pcs
11	ENGINE MOUNTING	87089900	780	Pcs
12	ASS. COB MODULE FOR BIKE	85122020	2,500	Pcs
13	AMPLIFIER WIRING KIT	85441990	1,000	Set
14	HI-LOW CONVERTER	85437099	400	Pcs

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

i. **Car Headlight Bulb:** The importer declared the item “Headlight Bulb” under CTH 85122090, i.e. under heading 8512, which covers electrical lighting or signalling equipment of a kind used for cycles or motor vehicles. As per the HSN Explanatory Notes to heading 8512, lamps of heading 8539 are excluded from the said heading. Heading 8539 specifically covers “electric filament or discharge lamps, including sealed beam lamp units and ultra-violet or infra-red lamps; arc lamps; light-emitting diode (LED) light sources”. The goods found during examination are headlight bulbs (LED lamps) for cars, hence, the goods merit classification under CTH 85395200 (LED lamps).

ii. **Fog Lamp for Bike**: The importer declared Fog Lamp for Bike under CTH 85122090, whereas the identical goods, i.e. Fog Lamp (for car), have been declared by the importer under CTH 85122020 at Sr. No. 2 of the BE. The goods found during examination are fog lamps used as lighting equipment for motorcycles and are of the same nature as the fog lamps declared at Sr. No. 2. Accordingly, the goods merit classification under CTH 85122020.

iii. **Lens (Glass) for Fog Lamp**: The importer declared the item under CTH 85122090, which covers complete lighting or signalling equipment. The goods found during examination are only glass lenses, which are parts suitable for fog lamps of heading 8512. In terms of Note 2(b) to Section XVI, parts suitable for use solely or principally with a particular kind of machine or apparatus are to be classified with that machine or apparatus. Sub-heading 851290 specifically covers parts of the goods of heading 8512. Accordingly, the goods merit classification under CTH 85129000.

iv. **Shock Absorber:** The importer declared the item under CTH 87089900, which is a residual entry for other parts and accessories of motor vehicles. Sub-heading 870880 specifically covers "suspension systems and parts thereof (including shock-absorbers)". In terms of Rule 3(a) and Rule 6 of the GRI, the specific sub-heading is to be preferred over the residual entry. Accordingly, the goods merit classification under CTH 87088000.

v. **Ass. COB Module for Bike:** The importer declared the item "Ass. COB Module" under CTH 82122020, which falls under heading 8212 covering "razors and razor blades (including razor blade blanks in strips)". The goods found during examination are COB (Chip-on-Board) LED lighting modules used in the lighting equipment of motorcycles, which have no relation to razors or razor blades. The declared CTH is therefore incorrect. The goods, being lighting equipment of a kind used for motor vehicles, merit classification under CTH 85122020, attracting BCD @ 15%.

vi. **Hi-Low Converter**: The importer declared the item under CTH 85365090, which covers switches for a voltage not exceeding 1,000 volts. The goods found during examination are high-to-low level converters used in car audio systems for conversion of signal level, which do not perform the function of making or breaking an electrical circuit. The goods are electrical apparatus having an individual function, not specified or included elsewhere in Chapter 85. Accordingly, the goods merit classification under CTH 85437099.

vii. In respect of the remaining items, namely Fog Lamp (CTH 85122020), Key Cover (CTH 39269099), Car Accessories – Wires (CTH 87089900), Mobile Holder for Bike (CTH 39269099), Wired MP5 Player for Car (CTH 85198990), Car Headlight DRL Lamp (CTH 85122090), Engine Mounting (CTH 87089900) and Amplifier Wiring Kit (CTH 85441990), the declared CTH is appears to be correct. However, the quantity of these goods is re-determined as per the goods actually found during examination, as shown in Table-III above. The item Car Dashboard Ambient Light, declared as 500 Sets, was not found during examination.

3.3 Non-compliance in respect of Wired MP5 Player for Car: During the course of investigation, it was observed that the goods "Wired MP5 Player for Car" (50 Pcs) require Equipment Type Approval (ETA) issued by the Wireless Planning & Coordination (WPC) Wing, Department of Telecommunications, for their import. However, the importer has not produced any WPC/ETA certificate for the said goods. The importer, vide their letter dated 15.10.2026, admitted that the mandatory certification for the said item could not be obtained prior to import, acknowledged the same as a compliance oversight on their part and requested to allow re-export of the said goods. They have also undertaken to re-export the said goods in accordance with the directions and procedures prescribed by the Customs authorities. Thus, it appears that the goods "Wired MP5 Player for Car" have been imported without the requisite WPC/ETA certificate and the said goods are, therefore, "prohibited goods" within the meaning of Section 2(33) of the Customs Act, 1962, and appear liable for confiscation under Section 111(d) and 111(m) of the Customs Act, 1962.

4. Valuation of the Goods:

4.1 Further, as goods found during examination in the subject Bill of Entry were mis-declared in terms of Description, quantity and classification. Therefore, value of the goods need to be determined. From the above, it appears that the importer had mis-declared the goods in terms of description, quantity, classification etc. and goods were not found as per the declaration filed in the Bill of Entry No. Z-3720634 dated 11.09.2026 (Z Type). The goods found during examination in the subject Bill of Entry were mis-declared in terms of Description, quantity and classification. Hence, value declared by the Importer appears to be not true transaction value. Thus, the declared value appeared to be not acceptable as transaction value and merits rejection in terms of Section 14 of Customs Act, 1962 read with Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The value appears to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of Customs Valuation Rules 2007.

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

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

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

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

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

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

4.6. Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected on 13.10.2026 by Shri Anwar Y. Kukad, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. AYK:VAL:03114:2026 dated 13.10.2026, wherein, he has reported the value of the cargo as tabulated below:

Table-IV

Sr. No.	**Description**	**Total Quantity**	**Measure Unit**	***Unit Suggestive Average C.I.F. Value by C.E. (in USD)***	***Total Suggestive Average C.I.F. Value by C.E. (in USD)***	***Total Suggestive Average C.I.F. Value by C.E. (in INR) @ Rs. 95.25/USD***
1	Car Headlight Bulb	9,720	Set	0.360	3,499.20	3,33,298.80
2	Fog Lamp	3,100	Set	1.000	3,100.00	2,95,275.00
3	Key Cover	2400	pcs	0.050	120.00	11,430.00
4	Car Accessories - Wires	300	Set	0.450	135.00	12,858.75
5	Mobile Holder For Bike	2300	pcs	0.090	207.00	19,716.75
6	Fog Lamp For Bike	7,760	Set	0.300	2,328.00	2,21,742.00
7	Wired MP5 Player For Car	50	Pcs	9.000	450.00	42,862.50
8	Lens (Glass) For Fog Lamp	7104	pcs	0.020	142.08	13,533.12
9	Car Headlight DRL Lamp	8,320	Set	0.400	3,328.00	3,16,992.00
10	Shock Absorber	23	pcs	21.00	483.00	46,005.75
11	Engine Mounting	780	pcs	0.950	741.00	70,580.25
12	Ass. COB Module For Bike	2,500	Pcs	0.010	25.00	2,381.25
13	Amplifier Wiring Kit	1000	Set	.50	500.00	47,625.00
14	Hi-Low Converter	400	Pcs	0.040	16.00	1,524.00
Total					15,074.28	14,35,825.17

The chartered engineer, empaneled by the government, determined the fair value of the goods to be Rs. 14,35,825/- (USD 15,074.28) in contrast to the declared assessable value of Rs. 8,06,128/- (USD 8,463.29). Out of the above, the value of the goods "Wired MP5 Player for Car",

which are proposed to be re-exported, has been determined as Rs. 42,863/- (USD 450.00) and the value of the remaining goods has been determined as Rs. 13,92,963/- (USD 14,624.28).

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

6. Re-determination of Duty:

6.1. Based on the foregoing paragraphs, it is evident that the importer has undervalued/mis-classified/mis-declared the imported goods to evade payment of duties and taxes. The duty liability for the imported goods (except "Wired MP5 Player for Car", which is proposed for re-export) as per re-determined value and classification is ascertained as under:

Table-V

Sr No	Description	Total Quantity	Measure Unit	*Total Suggestive Average C.I.F. Value by C.E. (in USD)*	*Total Suggestive Average C.I.F. Value by C.E. (in INR) @ Rs. 95.25/USD*	*BCD (Rate) (in Rs.)*	*SWS @ 10% of BCD (in Rs.)*	*IGST (Rate) (in Rs.)*	*Total Duty (in Rs.)*
1	Car Headlight Bulb (CTH 85395200)	9,720	Set	3,499.20	3,33,298.80	66,659.76 (20%)	6,665.98	73,192.42 (18%)	1,46,518.16
2	Fog Lamp (CTH 85122020)	3,100	Set	3,100.00	2,95,275.00	44,291.25 (15%)	4,429.13	61,919.17 (18%)	1,10,639.55
3	Key Cover (CTH 39269099)	2400	pcs	120.00	11,430.00	1,714.50 (15%)	171.45	2,396.87 (18%)	4,282.82
4	Car Accessories - Wires (CTH 87089900)	300	Set	135.00	12,858.75	1,928.81 (15%)	192.88	2,696.48 (18%)	4,818.17
5	Mobile Holder For Bike (CTH 39269099)	2300	pcs	207.00	19,716.75	2,957.51 (15%)	295.75	4,134.60 (18%)	7,387.86
6	Fog Lamp For Bike (CTH 85122020)	7,760	Set	2,328.00	2,21,742.00	33,261.30 (15%)	3,326.13	46,499.30 (18%)	83,086.73
7	Lens (Glass) For Fog Lamp (CTH 85129000)	7104	pcs	142.08	13,533.12	2,029.97 (15%)	203.00	2,837.90 (18%)	5,070.87
8	Car Headlight DRL Lamp (CTH 85122090)	8,320	Set	3,328.00	3,16,992.00	47,548.80 (15%)	4,754.88	66,473.22 (18%)	1,18,776.90
9	Shock Absorber (CTH 87088000)	23	pcs	483.00	46,005.75	6,900.86 (15%)	690.09	9,647.41 (18%)	17,238.36
10	Engine Mounting (CTH 87089900)	780	pcs	741.00	70,580.25	10,587.04 (15%)	1,058.70	14,800.68 (18%)	26,446.42
11	Ass. COB Module For Bike (CTH	2,500	Pcs	25.00	2,381.25	357.19 (15%)	35.72	499.35 (18%)	892.26

	85122020)								
12	Amplifier Wiring Kit (CTH 85441990)	1000	set	500.00	47,625.00	7,143.75 (15%)	714.38	9,986.96 (18%)	17,845.09
13	Hi-Low Converter (CTH 85437099)	400	Pcs	16.00	1,524.00	114.30 (7.5%)	11.43	296.95 (18%)	422.68
Total				14,624.28	13,92,962.67	2,25,495.04	22,549.52	2,95,381.31	5,43,425.87

From the Table above, it appears that the total duty liability of the importer on the goods other than "Wired MP5 Player for Car" is Rs. 5,43,426/-. The goods "Wired MP5 Player for Car" (50 Pcs, re-determined value Rs. 42,863/-) have not been considered in the above Table, as the importer has requested for re-export of the same in absence of the mandatory certification, as discussed **in para 3.3 above**.

6.2. The importer in the BE no. Z-3720634 dated 11.09.2026, has declared the value of the goods as Rs. 8,06,128/- and calculated the applicable duties and taxes on the goods declared, based on the declared value and classification in the Bill of Entry as Rs. 3,01,334/-.

6.3. Based on the calculations from Table-V above, the importer is required to pay a differential duty liability of **Rs. 2,42,092/-** (Rs. 5,43,426/- minus Rs. 3,01,334/-) on the mis-declared/undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the mis-declaration/undervaluation of goods.

7. LEGAL PROVISIONS:

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

Section 2 (33) of the Customs Act, 1962, "prohibited goods" means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with;

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

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

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

…

(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 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.

…

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

Any person, -

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

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section111,

shall be liable, -

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding the value of the goods or five thousand rupees, whichever is the greater;

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

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

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

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

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.

7.5. ***114AA. Penalty for use of false and incorrect material. —***

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

7.6. **SECTION 124** prescribes the mandatory issuance of show cause notice before confiscation of goods, which read as under**:**

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

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

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

(c) is given a reasonable opportunity of being heard in the matter:
***Provided** that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned be oral.*

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

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

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

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

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

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

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

7.8. **Relevant Provisions of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007:**

"*Rule 4. Transaction value of identical goods. -* *(1) (a) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued;*

……..

(3) In applying this rule, if more than one transaction value of identical goods is found, the lowest such value shall be used to determine the value of imported goods.

"Rule 5. Transaction value of similar goods. *- (1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:*

Provided that ……..

(2) The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, mutatis mutandis, also apply in respect of similar goods.

Rule 7. Deductive value.*-*

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -

(i) either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;

(ii) the usual costs of transport and insurance and associated costs incurred within India;

(iii) the customs duties and other taxes payable in India by reason of importation or sale of the goods.

(2) If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule (1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of ninety days after such importation.

(3) (a) If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.

(b) In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).

Rule 8. Computed value.*-*

Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-

(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;

(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;

(c) the cost or value of all other expenses under sub-rule (2) of rule 10.

Rule 9. Residual method:*-*

(1) Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be

determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India;

Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.

(2) No value shall be determined under the provisions of" this rule on the basis of –

(i) the selling price in India of the goods produced in India;

(ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;

(iii) the price of the goods on the domestic market of the country of exportation; (iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;

(v) the price of the goods for the export to a country other than India;

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

***Rule 12. Rejection of declared value**. - (1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, he may ask the importer of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such importer, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such imported goods cannot be determined under the provisions of sub-rule (1) of rule 3.*

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

On the basis of specific information for risk of mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods in the import consignment of M/s. Shailly Impex (IEC: APCPA8361F), under Bill of Entry No. Z-3720634 dated 11.09.2026, filed at APSEZ (INAJM6), an investigation was initiated by the Special Intelligence and Investigation Branch (SIIB), Cusstoms House, Mundra. The investigation revealed significant irregularities in the subject import consignment. The examination uncovered deliberate mis-declaration in description, quantity, mis-classification and undervaluation of goods, besides import of goods without mandatory WPC certification, indicating intent to evade Customs duties. The outcomes of the investigation are as follows:

8.1. <u>Examination and Findings</u>:

- The examination of container no. FFAU7971309, conducted on 24.09.2026 under Panchnama in the presence of Authorized representatives of the importer and the SEZ unit, revealed discrepancies in the goods imported by M/s. Shailly Impex under Bill of Entry No. Z-3720634 dated 11.09.2026:

- As against 732 packages declared, 885 boxes were found. The weight as per weighment slip was 16,030 Kgs as against 16,120 Kgs declared.

- Declared goods: 15 items of auto lamps, auto parts and accessories viz. Headlight Bulb, Fog Lamp, Key Cover, Car Accessories, Mobile Holder for Bike, Fog Lamp for Bike, Wired MP5 Player for Car, Lens (Glass) for Fog Lamp, Car Headlight DRL

Lamp, Car Dashboard Ambient Light, Shock Absorber, Engine Mounting, Ass. COB Module, Amplifier Wiring Kit and Hi-Low Converter.

- Found goods: 14 items, including Car Headlight Bulb (9,720 Sets against 4,930 Sets declared), Fog Lamp for Bike (7,760 Sets against 2,000 Sets declared) and Car Headlight DRL Lamp (8,320 Sets against 7,000 Sets declared) in excess quantity, Ass. COB Module for Bike (2,500 Pcs against 12,500 Pcs declared) in short quantity and Car Dashboard Ambient Light not found. Car Headlight Bulb, Fog Lamp for Bike, Lens (Glass) for Fog Lamp, Shock Absorber, Ass. COB Module for Bike and Hi-Low Converter merit classification under CTHs 85395200, 85122020, 85129000, 87088000, 85122020 and 85437099 respectively, indicating mis-declaration of description, quantity and classification.

- Non-compliant goods: MP5 Player for Car (50 Pcs) was imported without the mandatory WPC/ETA certificate. The importer has admitted the non-compliance and requested re-export of the said goods.

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

8.2. <u>Valuation of the Goods:</u>

- Declared Value: The importer declared an assessable value of Rs. 8,06,128/-.

- Redetermined Value: The Chartered Engineer's report (ref no. AYK:VAL:03114:2026 dated 13.10.2026) determined the fair CIF value at USD 15,074.28/-, equivalent to Rs. 14,35,825/- (at INR 95.25/USD), which includes Rs. 42,863/- for Wired MP5 Player for Car proposed for re-export and Rs. 13,92,963/- for the remaining goods.

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

8.3. <u>Description and Classification</u>:

Sr. No.	Re-determined Description of Goods	Re-determined CTH of Goods
1	CAR HEADLIGHT BULB	85395200
2	FOG LAMP	85122020
3	KEY COVER	39269099
4	CAR ACCESSORIES - WIRES	87089900
5	MOBILE HOLDER FOR BIKE	39269099
6	FOG LAMP FOR BIKE	85122020
7	WIRED MP5 PLAYER FOR CAR	85198990
8	LENS (GLASS) FOR FOG LAMP	85129000
9	CAR HEADLIGHT DRL LAMP	85122090
10	SHOCK ABSORBER	87088000
11	ENGINE MOUNTING	87089900
12	ASS. COB MODULE FOR BIKE	85122020

13	AMPLIFIER WIRING KIT	85441990
14	HI-LOW CONVERTER	85437099

8.4. **Duty Evasion:** The importer's deliberate mis-declaration and undervaluation resulted in a differential duty liability of Rs. 2,42,092/-.

8.5. **Conclusion:** The importer has, by their acts of omission and commission, rendered the goods found mis-classified/undervalued/mis-declared in description and quantity, with a re-determined assessable value of INR 13,92,963/- (excluding Wired MP5 Player for Car) under Bill of Entry No. Z-3720634 dated 11.09.2026, liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962, and is therefore also liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. As the importer has mis-declared the description and quantity of the goods in the import documents, the importer is also liable for penalty under Section 114AA of the Customs Act, 1962. Further, the goods "Wired MP5 Player for Car" having re-determined value of Rs. 42,863/-, imported without the mandatory WPC/ETA certificate, are liable for confiscation under Section 111(d) & 111(m) of the Customs Act, 1962, and the importer is liable for penalty under Section 112(a)(i) of the Customs Act, 1962.

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

i. The declared description, quantity, weighment and classification of the goods in the Bill of Entry No. Z-3720634 dated 11.09.2026 is liable to be rejected and need to be re-determined as per Table-III, Table-IV and Table-V above.
ii. The declared total assessable value of the goods, i.e., Rs. 8,06,128/-, is liable to be rejected and the same needs to be re-determined as Rs. 14,35,825/- (including Rs. 42,863/- for Wired MP5 Player for Car) under Rule 9 of the Customs Valuation Rules, 2007.
iii. The self-assessment done by the importer is liable to be rejected and the BE needs to be re-assessed with differential duty of Rs. 2,42,092/- under Section 17(4) of the Customs Act, 1962.
iv. The subject goods (except Wired MP5 Player for Car) having re-determined value of Rs. 13,92,963/-, are liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962. Further, the goods "Wired MP5 Player for Car" (50 Pcs) having re-determined value of Rs. 42,863/-, are prohibited goods and are liable for confiscation under Section 111(d) & 111(m) of the Customs Act, 1962.
v. The importer is liable for penalty under Section 112(a) and/or 114AA of the Customs Act, 1962.

10. **WAIVER OF NOTICE AND PERSONAL HEARING**

The importer M/s. Shailly Impex (IEC: APCPA8361F) vide their mail dated 15.10.2026 by submitting letter dated 15.10.2026 accepted the CE Valuation Report and requested for waiver of the Show Cause Notice and personal hearing in the matter. The importer reviewed and agreed with the CE report accepting the revised classification and valuation, and requested to decide the matter on merits. In the said letter, the importer has further requested that the goods "Wired MP5 Player for Car" may be allowed to be re-exported, as the mandatory certification for the said goods could not be obtained prior to import, and has undertaken to re-export the same as per the directions and procedures prescribed by the Customs authorities.

DISCUSSION AND FINDINGS

11. I have carefully gone through the records of the case, Investigation Report No. 198/2026-27, SIIB E-mail dated 26.10.2026, Chartered Engineer Valuation Report No. AYK:VAL:03114:2026 dated 13.10.2026 and the importer's letter dated 15.10.2026. I note that the importer accepted the classification and value determined during investigation and expressly waived issuance of Show Cause Notice and personal hearing, requesting decision on merits. I further note the specific request to re-export of the goods Wired MP5 Player for Car. I therefore proceed to decide the case on the basis of the available records and the importer's written submissions. I find that the following issues are required to be decided in present adjudication proceedings:

i. Whether the declared description, quantity, weighment and classification of the goods in the Bill of Entry No. Z-3720634 dated 11.09.2026 is liable to be rejected and need to be re-determined as per Table-III, Table-IV and Table-V above.
ii. Whether the declared total assessable value of the goods, i.e., Rs. 8,06,128/-, is liable to be rejected and the same needs to be re-determined as Rs. 14,35,825/- (including Rs. 42,863/- for Wired MP5 Player for Car) under Rule 9 of the Customs Valuation Rules, 2007.
iii. Whether the self-assessment done by the importer is liable to be rejected and the BE needs to be re-assessed with differential duty of Rs. 2,42,092/- under Section 17(4) of the Customs Act, 1962.
iv. Whether the subject goods (except Wired MP5 Player for Car) having re-determined value of Rs. 13,92,963/-, are liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962. Further, the goods "Wired MP5 Player for Car" (50 Pcs) having re-determined value of Rs. 42,863/-, are prohibited goods and are liable for confiscation under Section 111(d) & 111(m) of the Customs Act, 1962.
v. Whether the importer is liable for penalty under Section 112(a) and/or 114AA of the Customs Act, 1962.

11.1.1. I find that on the basis of specific information for risk of mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods in the import consignment of M/s. Shailly Impex (IEC: APCPA8361F), under Bill of Entry No. Z-3720634 dated 11.09.2026, filed at APSEZ (INAJM6), an investigation was initiated by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra. The investigation revealed significant irregularities in the subject import consignment. The examination uncovered deliberate mis-declaration in description, quantity, mis-classification and undervaluation of goods, besides import of goods without mandatory WPC certification, indicating intent to evade Customs duties. The outcomes of the investigation are as follows:

11.1.2. I find that the examination of container no. FFAU7971309, conducted on 24.09.2026 under Panchnama in the presence of Authorized representatives of the importer and the SEZ unit, revealed discrepancies in the goods imported by M/s. Shailly Impex under Bill of Entry No. Z-3720634 dated 11.09.2026:

- As against 732 packages declared, 885 boxes were found. The weight as per weighment slip was 16,030 Kgs as against 16,120 Kgs declared.

- Declared goods: 15 items of auto lamps, auto parts and accessories viz. Headlight Bulb, Fog Lamp, Key Cover, Car Accessories, Mobile Holder for Bike, Fog Lamp for Bike, Wired MP5 Player for Car, Lens (Glass) for Fog Lamp, Car Headlight DRL Lamp, Car Dashboard Ambient Light, Shock Absorber, Engine Mounting, Ass. COB Module, Amplifier Wiring Kit and Hi-Low Converter.

- Found goods: 14 items, including Car Headlight Bulb (9,720 Sets against 4,930 Sets declared), Fog Lamp for Bike (7,760 Sets against 2,000 Sets declared) and Car Headlight DRL Lamp (8,320 Sets against 7,000 Sets declared) in excess quantity, Ass. COB Module for Bike (2,500 Pcs against 12,500 Pcs declared) in short quantity and Car Dashboard Ambient Light not found. Car Headlight Bulb, Fog Lamp for Bike, Lens (Glass) for Fog Lamp, Shock Absorber, Ass. COB Module for Bike and Hi-Low Converter merit classification under CTHs 85395200, 85122020, 85129000, 87088000, 85122020 and 85437099 respectively, indicating mis-declaration of description, quantity and classification.

- Non-compliant goods: MP5 Player for Car (50 Pcs) was imported without the mandatory WPC/ETA certificate. The importer has admitted the non-compliance and requested re-export of the said goods.

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

11.1.3. I find that **t**he importer declared an assessable value of Rs. 8,06,128/-. The Chartered Engineer's report (ref no. AYK:VAL:03114:2026 dated 13.10.2026) determined the fair CIF value at USD 15,074.28/-, equivalent to Rs. 14,35,825/- (at INR 95.25/USD), which includes Rs. 42,863/- for Wired MP5 Player for Car proposed for re-export and Rs. 13,92,963/- for the remaining goods. I also find that the declared value was rejected under Rule 12 of CVR Rules, 2007, due to undervaluation/mis-declaration and mis-classification. Valuation was determined under Rule 9 of the Customs Valuation Rules (CVR), 2007 (residual method), as values under Rules 4–8 could not be established due to lack of comparable data, non-standard nature of goods, and absence of domestic market sale prices.

11.1.4. I find that the importer has mis-declared and mis-classified the goods in said BE. The re-determined description and classification of the goods is as follows:

Sr. No.	Re-determined Description of Goods	Re-determined CTH of Goods
1	CAR HEADLIGHT BULB	85395200
2	FOG LAMP	85122020
3	KEY COVER	39269099
4	CAR ACCESSORIES - WIRES	87089900
5	MOBILE HOLDER FOR BIKE	39269099
6	FOG LAMP FOR BIKE	85122020
7	WIRED MP5 PLAYER FOR CAR	85198990
8	LENS (GLASS) FOR FOG LAMP	85129000
9	CAR HEADLIGHT DRL LAMP	85122090
10	SHOCK ABSORBER	87088000
11	ENGINE MOUNTING	87089900
12	ASS. COB MODULE FOR BIKE	85122020

13	AMPLIFIER WIRING KIT	85441990
14	HI-LOW CONVERTER	85437099

11.1.5. I also find that the duty liability on the goods other than Wired MP5 Player for Car was re-determined at Rs. 5,43,426/-. The goods 'Wired MP5 Player for Car', comprising 50 Pcs and having re-determined value of Rs. 42,863/-, is excluded from the duty calculation in view of the importer's request for their re-export. Against the duty of Rs. 3,01,334/- calculated in the Bill of Entry on the declared value and classification, the differential duty works out as Rs. 2,42,092/-.

11.2. I find that the importer has, by their acts of omission and commission, rendered the goods found mis-classified/undervalued/mis-declared in description and quantity, with a re-determined assessable value of INR 13,92,963/- (excluding Wired MP5 Player for Car) under Bill of Entry No. Z-3720634 dated 11.09.2026, liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962, and is therefore also liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. As the importer has mis-declared the description and quantity of the goods in the import documents, the importer is also liable for penalty under Section 114AA of the Customs Act, 1962. Further, the goods "Wired MP5 Player for Car" having re-determined value of Rs. 42,863/-, imported without the mandatory WPC/ETA certificate, are liable for confiscation under Section 111(d) & 111(m) of the Customs Act, 1962, and the importer is liable for penalty under Section 112(a)(i) of the Customs Act, 1962.

11.3. As I have already held these goods liable for confiscation in previous para under Section 111 of the Customs Act, 1962, I find it necessary to consider as to whether redemption fine under Section 125 of Customs Act, 1962, is liable to be imposed in lieu of confiscation in respect of the impugned goods. The Section 125 ibid 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 1[or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit."

11.3.1. A plain reading of the above provision shows that imposition of redemption fine is an option in lieu of confiscation. It provides for an opportunity to owner of confiscated goods to redeem the goods by paying redemption fine for re-export and home consumption. The Noticees have already, as discussed under foregoing paras, has requested for re-export of the goods Wired MP5 Player for car and rest of goods for home consumption. The Noticees have also waived the right personal hearing and SCN. The Noticees also did not disputed the re-determined description, classification, valuation and duty. I find that Section 125 of the Customs Act, 1962 empowers the adjudicating authority, in cases where goods are liable to confiscation, to grant an option to redeem the goods on payment of fine in lieu of confiscation. In the present case, the goods have remained under customs control and have not been cleared for home consumption. I observe that confiscation must follow as a consequence of statutory violation. The principles of proportionality and fairness in adjudication require that while enforcement of law is ensured, the punishment should be proportionate to the nature of violation.

11.3.2. I find that import of Wired MP5 Player for car requires ETA/WPC approval, which the importer admittedly does not possess. Thus, the issue that arises is not one of absolute prohibition of the goods per se, but of non-fulfilment of the statutory and policy conditions governing their import. In the present case, the importer has failed to obtain the requisite authorization and has thus not satisfied the mandatory pre-conditions for import and clearance of the goods Wired MP5 Player for car for home consumption. Therefore, the infirmity lies in the importer's failure to comply with the prescribed statutory conditions. In the absence of fulfilment of these essential conditions, the goods cannot be permitted to be cleared into the domestic market. I further observe that ordering confiscation in the present case and not allowance for re-export would not serve any meaningful revenue purpose. Such a course would only result in unnecessary litigation without yielding any revenue to the Government. The goods in question are not per se banned items; rather, their import is regulated and conditional. The confiscation ordered herein is thus a legal consequence of non-fulfilment of statutory conditions and absence of requisite authorization.

11.3.3. In view of the above discussion, I am of the considered view that the ends of justice would be met by allowing redemption of the subject goods i.e. Wired MP5 Player for car for the limited purpose of re-export and rest of the goods for home consumption. Imposition of redemption fine along with penalty is sufficient to address the violation and convey a clear deterrent message to similarly placed importers. At the same time, this course ensures that the goods Wired MP5 Player for car do not enter the domestic market in violation of statutory conditions. Therefore, under the provisions of Section 125 of the Customs Act, 1962, I find it appropriate to allow the importer an option to redeem the goods Wired MP5 Player for car for the limited purpose of re-export on payment of redemption fine and rest of the goods for home consumption on payment of redemption fine.

11.4. From the above, it is evident that the importer has rendered the goods found mis-classified/undervalued/mis-declared in description and quantity, with a re-determined assessable value of INR 13,92,963/- (excluding Wired MP5 Player for Car) under Bill of Entry No. Z-3720634 dated 11.09.2026, liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962, and is therefore also liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. Further, the goods "Wired MP5 Player for Car" having re-determined value of Rs. 42,863/-, imported without the mandatory WPC/ETA certificate, are liable for confiscation under Section 111(d) & 111(m) of the Customs Act, 1962, and the importer is liable for penalty under Section 112(a)(i) of the Customs Act, 1962. As the importer has mis-declared the description and quantity of the goods in the import documents, the importer is also liable for penalty under Section 114AA of the Customs Act, 1962.

12. **In view of the aforesaid discussions and findings, I pass the following order:**

ORDER

i. I reject the declared description, classification and quantity of the goods covered under Z-Bill of Entry No. 3720634 dated 11.09.2026 and order to re-determined the same in accordance with Table-III above.

ii. I reject the declared assessable value of Rs. 8,06,128/- under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine the assessable value at Rs. 14,35,825/- (Rupees Fourteen Lakh Thirty-

Five Thousand Eight Hundred Twenty-Five only) under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962.

iii. I reject the self-assessment done by the importer and order for re-assessment of Z-Bill of Entry No. 3720634 dated 11.09.2026 under Section 17(4) of the Customs Act, 1962 with re-determined description, classification, quantity and duty as discussed in above paras.

iv. I confiscate the goods Wired MP5 Player for Car having re-determined value of Rs. 42,863/-, under Sections 111(d) and 111(m) of the Customs Act, 1962. However, in exercise of powers conferred under Section 125 of the Customs Act, 1962, I give an option to the importer to redeem the confiscated goods for the limited purpose of re-export only, on payment of redemption fine of Rs.5,000/- (Rupees Five Thousand only).

v. I confiscate the remaining goods except Wired MP5 Player for Car, having re-determined value of Rs. 13,92,963/- under Sections 111(l) and 111(m) of the Customs Act, 1962, as applicable. However, I give an option to redeem the said goods for Home Consumption under Section 125 on payment of redemption fine of Rs.1,39,000/- (Rupees One Lakh Thirty Nine Thousand only).

vi. I impose a penalty of Rs.5,000/- (Rupees Five Thousand only) on M/s. Shailly Impex under Section 112(a)(i) of the Customs Act, 1962 in respect of the restricted/prohibited goods.

vii. I impose a penalty of Rs.24,000/- (Rupees Twenty Four Thousand only) on M/s. Shailly Impex under Section 112(a)(ii) of the Customs Act, 1962 in respect of the other dutiable goods.

viii. I impose a penalty of Rs. 10,000/- (Rupees Ten Thousand only) on M/s. Shailly Impex under Section 114AA of the Customs Act, 1962.

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

Digitally signed by Dipakbhai Zala
Date: 29-10-2026 17:33:22

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

To,
M/s. Shailly Impex
Kh. No. 146/1, Ground Floor, Street No. 7, Village Siraspur,
Siraspur Road, New Delhi – 1100423

Copy to:

1. The Deputy/Assistant Commissioner, SIIB, Customs House, Mundra
2. The Deputy Commissioner, Review, Customs House, Mundra
3. The Deputy Commissioner, TRC, Customs House, Mundra
4. The Deputy Commissioner, EDI, Customs House, Mundra
5. The Deputy Commissioner, APSEZ, Mundra
6. Guard File