अपर आयुक्त, सीमा शुल्क का कार्यालय
OFFICE OF THE ADDITIONAL COMMISSIONER OF CUSTOMS
सूरत हीरा बोर्स, तीसरी मंजिल, सर कॉर्पोरेट सेंटर, टी.पी.स्कीम नं-03,
SURAT HIRA BOURSE, 3RD FLOOR, SAR CORPORATE CENTER, T.P.SCHEME NO. 03
कतारगाम, सूरत– 395004/KATARGAM, SURAT – 395004
TEL.NO. 0261-2488300, FAX NO. 0261-2485600 email-shb.surat@gov.in

DIN : 20260471MN000000A2A1

PREAMBLE

A	फ़ाइल संख्या/ File No.	:	F. No. CUS/APR/ASS/2666/2025-ICD-HB-SRT-CUS-COMMRTE-AHMEDABAD
B	कारण बताओ नोटिस संख्या–तारीख / Show Cause Notice No. and Date	:	The importer has requested for waiver of Show Cause Notice.
C	मूल आदेश संख्या/ Order-In-Original No.	:	OIO No. 02/ADC/LD/O&A/SHB/2026-27
D	आदेश तिथि/ Date of Order-In-Original	:	24.04.2026
E	जारी करनेकी तारीख/ Date of Issue	:	24.04.2026
F	द्वारापारित/ Passed By	:	Shri Lokesh Damor Additional Commissioner, Customs Ahmedabad.
G	आयातक का नाम औरपता / Name and Address of Importer / Passenger	:	M/s. Glossy Gems Private Limited , 219, 2nd Floor, World Diamond Center, Comm. Complex, Hatfaliya, Haripura, Surat, Gujarat-395003
(1)	**यह प्रति उन व्यक्तियों के उपयोग के लिए निःशुल्क प्रदान की जाती है जिन्हे यह जारी की गयी है।**		
(2)	**कोई भी व्यक्ति इस आदेश से स्वयं को असंतुष्ट पाता है तो वह इस आदेश के विरुद्ध अपील इस आदेश की प्राप्ति की तारीख के 60 दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क(अपील), चौथी मंज़िल, हुडको भवन, ईश्वर भुवन मार्ग, नवरंगपुरा,**		

	अहमदाबाद में कर सकता है।
(3)	**अपील के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए और इसके साथ होना चाहिए:**
(i)	**अपील की एक प्रति और;**
(ii)	**इस प्रति या इस आदेश की कोई प्रति के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए।**
(4)	**इस आदेश के विरुद्ध अपील करने इच्छुक व्यक्ति को 7.5 % (अधिकतम 10 करोड़) शुल्क अदा करना होगा जहां शुल्क या ड्यूटी और जुर्माना विवाद में है या जुर्माना जहां इस तरह की दंड विवाद में है और अपील के साथ इस तरह के भुगतान का प्रमाण पेश करने में असफल रहने पर सीमा शुल्क अधिनियम, 1962 की धारा 129 के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।**

BRIEF FACTS OF THE CASE

M/s. Glossy Gems Private Limited (IEC: AAHCG1186H), having address at 219, 2nd Floor, World Diamond Center, Comm. Complex, Hatfaliya, Haripura, Surat, Gujarat-395003 (here-in-after referred as 'the importer') had imported one shipment of 'Rough Diamonds" under CTH 71023100 vide Bill of Entry No. 6262911 dated 12.12.2025 filed through Customs Broker i.e. M/s. Inmovers Cargo Care. Details are as per table-I :

TABLE-I

Details in respect of Bill of Entry No. 6262911 dated 12.12.2025					
Sr. No.	**Description of goods (CTH)**	**Declared Quantity (in carat)**	**Invoice No. & date**	**Declared Value (in USD)**	**Supplier Name**
1	Rough Diamonds	309.50	JE/ 25/12/06/ R dated 10.12.2025	8,43,185.49	M/s. JSCA Gold & Diamond Trading DMCC, Dubai

2. The examination of the shipment as mentioned above was carried out as per due procedure in the presence of the stakeholders. The said shipment was found to be containing 309.50 carat as mentioned in above table-I. The weight of the above-mentioned shipment was found in order as per the actual weight mentioned in the Bill of Entry, HAWB & the invoice.

3. Prima facie the subject goods appeared overvalued during examination and assessment. Therefore, three members panel of Govt. approved expert valuers namely Shri Maulin Shah, Shri Darshanbhai Sanghvi and Shri Ashokbhai Lavjibhai Sojitra was constituted for valuation of the said goods. Identification cum valuation certificate submitted by valuer in respect of the shipment are as below:

Identification Cum Valuation Certificate to be given by panel/Expert Valuer.

S.No.	Details as declared by the importer M/s Glossy Gems Private Limited, Surat in the Bill of Entry No. 6262911 dated 12.12.2025			
	Description of Goods	Weight (in carat)	Value per carat	Total Value (in USD)
1	Rough Diamond	124.87	2,998.21	3,74,386.26
2	Rough Diamond	36.51	4,196.76	1,53,223.65
3	Rough Diamond	148.12	2,130.54	3,15,575.58
	Total	**309.50**		**8,43,185.49**

SPECIAL INSTRUCTIONS BY THE DEPARTMENTAL OFFICER, IF ANY:

Raman Kumar 29/12/25

Name and signature of the referring officer (AO)

COMMENTS BY EXPERT VALUER

<table>
<tr><td rowspan="3">S. No.</td><td colspan="7">Valuation report in respect of Bill of Entry No. 6262911 dated 12.12.2025 filed by M/s. Glossy Gems Private Limited, Surat</td></tr>
<tr><td rowspan="2">Description of Goods</td><td rowspan="2">Weight (in carat)</td><td colspan="4">Value per carat found during inspection (in USD) by three member panel of expert valuers</td><td rowspan="2">Total value (in USD) as per valuation report</td></tr>
<tr><td>Shri Ashokbhai Lavjibhai Sojitra</td><td>Shri Maulin Shah</td><td>Shri Darshanbhai Sanghvi</td><td>Average value</td></tr>
<tr><td>1</td><td>Rough Diamond</td><td>124.87</td><td>1,300.00</td><td>1,400.00</td><td>1,500.00</td><td>1,400.00</td><td>1,74,818.00</td></tr>
<tr><td>2</td><td>Rough Diamond</td><td>36.51</td><td>2,800.00</td><td>2,700.00</td><td>3,000.00</td><td>2,833.33</td><td>1,03,445.00</td></tr>
<tr><td>3</td><td>Rough Diamond</td><td>148.12</td><td>1,500.00</td><td>1,700.00</td><td>1,700.00</td><td>1,633.33</td><td>2,41,929.33</td></tr>
<tr><td></td><td>Total</td><td>309.50</td><td></td><td></td><td></td><td></td><td>5,20,192.33</td></tr>
</table>

Name and Signature of Expert Valuer

29.12.25

4. The value of said shipment as per identification cum valuation certificate submitted by empanelled valuer is tabulated below:

Table-II

Details in respect of Bill of Entry No. 6262911 dated 12.12.2025						
a	**b**	**c**	**d**	**e**	**f**	**g**
Sr. No.	**Description of goods (CTH)**	**Quantity (in carat)**	**Declared Value per carat(in USD)**	**Average of value determined by valuers per carat (in USD)**	**Value Difference per carat as per valuer report (in USD)**	**Total Difference in value (value determined by valuer- declared value) (in USD)**
1	Rough Diamonds	124.87	2998.21	1400.00	1598.21	1,99,568.48
2	Rough Diamonds	36.51	4196.76	2833.33	1363.43	49,778.83
3	Rough Diamonds	148.12	2130.54	1633.33	497.21	73,646.75
Total						3,22,994.06

5. Total declared invoice value of the goods of above-mentioned shipment is USD 8,43,185.49 (excluding shipping charges of USD 750) and value ascertained by three members panel of Govt. empanelled valuers is USD 5,20,192.33, therefore difference in value ascertained by empanelled valuer and declared value of above-mentioned shipments is USD 3,22,994.06.

6. As the above mentioned shipment was mis-declared in respect of value as per the identification cum valuation certificate submitted by valuer, therefore the said goods appeared liable for confiscation under Section 111(m) of the Customs Act 1962 and accordingly the subject goods imported vide above mentioned bill of entry were seized vide Seizure Memo No. 02/2025-26 dated 29.12.2025 under Section 110 of Customs Act, 1962 under panchnama dated 29.12.2025. The seized goods were handed over to custodian, Surat Hira Bourse, Surat under supratnama for safe custody of the same.

7. A summon dated 02.01.2026 bearing Issue No. I/3702810/2026 under Section 108 of the Customs Act, 1962 was issued to the importer M/s. Glossy Gems Private Limited, Surat. Shri Nemichand Mohanlal Kawadia, Director of M/s. Glossy Gems Private limited (Aadhar No. - 630377353413) appeared for recording his statement on 08.01.2026 in response of the said summons. Details of the statement are as follows:

7.1 On being asked 'please introduce yourself', he answered that '*My name is Nemichand Mohanlal Kawadia s/o Mohanlal Kawadia. My Aadhar No. is 630377353413 and I am residing at 903/A, Krishna Kunj Building, Salasar Brigh Bhoomi, Opp Maxus Mall, Bhayander West, Thane, Maharashtra-401101. My mobile no. is 9967155311. I am graduate in B.com. I am one of the Directors in M/s. Glossy Gems Private limited (IEC-AAHCG1186H), 219, 2nd Floor, World Diamond Center, Comm. Complex, Hatfaliya, Haripura, Surat. I am director of this firm since 2018. I look after sells and purchase related activities of the firm. Shri Vipin Dhabaria is the other director in the firm*'.

7.2 On being asked 'Please state about the business activities in the firm M/s. Glossy Gems Private limited (IEC-AAHCG1186H)', he answered that '*M/s. Glossy Gems Private limited (IEC-AAHCG1186H) is into business activities since 2018 and is engaged in trading of rough & polished diamonds. We import natural & lab grown rough diamonds and sometimes we also import natural cut & polished diamonds. We generally sell the imported natural & lab grown rough diamonds (approx. 70%) without any further processing in local market. Remaining natural & lab grown rough diamonds are sent for job work for cutting and polishing in Surat based companies. Our major job workers are M/s Sambhavi Corporation, Surat, M/s. Asha Corporation, Surat etc. We also export cut & polished natural diamonds (5-10%) to Dubai*'.

7.3 On being asked 'As stated above, around 70% of your import business is sold to local buyers. Please state suppliers and buyers of the firm?', he answered that '*We import natural & lab grown rough diamonds only from Dubai and our major suppliers are M/s. JSCA Gold & Diamond Trading DMCC, Dubai, M/s Diam Rough NV, Dubai, M/s. Parth Diam DMCC, Dubai etc. We mostly sell rough diamonds in local market to M/s. Shine Jewellery, Mumbai, SNB Exim, Mumbai, Jinanam Export Pvt. Ltd, Mumbai. We sell cut & polished diamond mostly to M/s. P Navinkumar & co., Mumbai, M/s. Vaishali Export, Mumbai, M/s. Vidhi Gems, Mumbai etc.'*.

7.4 On being asked 'name of CHA of the firm M/s. Glossy Gems Private limited (IEC-AAHCG1186H) and his role in the business activities of the said firm?', he answered that *'We do import export related business activities at Surat and Mumbai through our CHA M/s. Immovers Cargo Care & M/s. Adarsh Clearing Agency respectively. Both CHAs file the documents on the basis of import/export invoices, packing list etc. on behalf of M/s. Glossy Gems Private limited (IEC-AAHCG1186H)'*.

7.5 On being asked 'whether you have any idea about statement under Section 108 of Customs Act, 1962 at Surat Hira Bourse', he answered that '*Yes. I received a summon dated 02.01.2026 from this office to be present in the office on 08.01.2026 regarding overvaluation of goods imported vide bill of entry no. 6262911 dated 12.12.2025 wherein we imported rough natural diamonds from M/s. JSCA Gold & Diamond Trading DMCC, Dubai and the said shipment has been hold by customs officers.*'

7.6 On being asked 'How many time you have imported goods from M/s. JSCA Gold & Diamond Trading DMCC, Dubai?', he answered that '*M/s. JSCA Gold & Diamond Trading DMCC, Dubai is our major supplier and we often import rough natural diamonds from the said firm. We have previously imported 5-6 parcels in financial year 2025-26 till now.'*

7.7 On being asked 'details of the import made by M/s. Glossy Gems Private limited (IEC-AAHCG1186H) vide Bill of Entry no. 6262911 dated 12.12.2025', he answered that *'We imported rough natural diamonds of 309.50 carats having value of 843185.49 USD from M/s. JSCA Gold & Diamond Trading DMCC, Dubai as per invoice submitted.'*

7.8 On being asked 'the details of the documents received from the supplier regarding this parcel and how you have received the said documents', he answered that *'The supplier has sent only invoice bearing no. JE/25/12/06/R dated 10.12.2025 through Whatsapp.'*

7.9 On being asked 'Have you used the same phone & number carrying right now to contact the supplier?', he answered that *'Yes'.*

7.10 On being asked 'Do you have chats/data with supplier regarding purchase of the goods through invoice no. JE/25/12/06/R dated 10.12.2025 ?', he answered that *'No. I have turned on disappearing message for 24 hours setting in my phone. I do not save anything in my phone, due to which I do not possess the documents in relation to the import documents currently. However, we take the printout of the documents as required.'*

7.11 On being asked 'As you have stated that you do not save or have the documents with you. How you provide the documents to the concerned CHA, to the bank regarding remittance and Audit, if any', he answered that *'I don't have the documents with me right now. However, we manage consignment wise details at our office and can provide you the same as and when required.'*

7.12 On being asked 'Are you the actual importer of the goods imported vide Bill of Entry no. 6262911 dated 12.12.2025 or you have imported on behalf of some other firm or person and what is the further purpose/planning of the said goods?', he answered that *'We are the actual importer of the goods imported vide Bill of Entry no. 6262911 dated 12.12.2025 and we were going to first try to sell the goods without processing and in case goods are unsold then we send for Job work for cut & polish.'*

7.13 On being asked 'What are the payments terms with M/s. JSCA Gold & Diamond Trading DMCC, Dubai?', he answered that *'We placed this order for import on phone call to Shri Kuldeep Shah, Sales Manager of M/s. JSCA Gold & Diamond Trading DMCC, Dubai and our payment terms are 30 days from the date of invoice. We have not paid any amount to M/s. JSCA Gold & Diamond Trading DMCC, Dubai till date for said import.'*

7.14 On being asked 'Were you aware that the shipments imported vide Bill of Entry no. 6262911 dated 12.12.2025 were overvalued?', he answered that *'As stated above, I placed order on phone call only and I never saw the goods under import physically. After negotiating with the supplier, I placed the order on the basis of verbal description of the goods (color, clarity, weight etc. as mentioned in the Invoice). I was not aware about the overvaluation of the goods then.'*

7.15 On being asked 'Please peruse the valuation report mentioned in "Annexure-A" by the Valuers Shri Ashiokbhai Lavjibhai Sojitra, Shri Maulin

Shah & Shri Dashanbhai Sanghvi and give your comments on the said valuation report?', he answered that *'I peruse the valuation report mentioned in "Annexure-A" by the valuers Shri Ashiokbhai Lavjibhai Sojitra, Shri Maulin Shah & Shri Dashanbhai Sanghvi. After seeing the valuation report, it is to state that there is 10-15% rate variations in value of goods due to market scenario and other factors, However I do agree with the said valuation report as mentioned in "Annexure-A" and I put my dated signature on the same as a token of having seen the same'.*

7.16 On being asked 'As stated in the reply of Q. no.6 above, the firm have imported 5-6 parcels in this F.Y. Have you noticed any discrepancies in the said imported parcels?', he answered that *'No. We have not noticed any discrepancies i.e. value, size, weight etc. earlier in the previously imported parcels from the same supplier'.*

7.17 On being asked 'Do you wish to add anything', he answered that *'No. But is requested to expedite the procedure'.*

8. A summon dated 02.01.2026 bearing Issue No. I/3702753/2026 under Section 108 of the Customs Act, 1962 was issued to the Customs Broker M/s. Inmovers Cargo Care. Shri Dinkar Laxman Kashid, Partner of M/s. Inmovers Cargo Care (Aadhar No. -889301371504) appeared for recording his statement on 13.01.2026 in response of the said summons. Details of the statement are as follows:

8.1 On being asked 'What is your designation in Customs Broker Firm M/s Inmovers Cargo Care ?', he answered that '*Sir, I am one of the Partners of M/s Inmovers. Other partners are Shri Santosh Daniel, resident of Kerala and Smt. Mohini Dinkar Kashid, who is my wife and resident of 101, Kasturi Tower Co. Op. Housing Society L.B.S Road Opp Vandana Cinema, Thane West, Maharashtra 400 602'.*

8.2 On being asked 'Please explain why you have been called at SHB?', he answered that '*Sir, I have come at SHB as I had received copy of summons issued in my name to record statement under section 108 of Customs Act, 1962 in connection with import made by M/s Glossy Gems Pvt. Ltd.'.*

8.3 On being asked 'How do you know Director of firm M/s Glossy Gems Private limited?', he answered that '*Sir, I know both the directors of M/s Glossy Gems Private limited Shri Nemichand Mohanlal Kawadia and Shri Vipin Dhabaria since last 4-5 years when he was working in a firm in Mumbai. I don't remember the name of firm'.*

8.4 On being asked 'Whether KYC was done of importer firm M/s Glossy Gems Private limited by your CB firm??', he answered that *'Sir, KYC of M/s Glossy Gems Private limited was done through our firm. The physical verification of the company was done by our employee Shri Ajay Ahir. Earlier the firm M/s Glossy Gems Private limited was already doing business through CHA firm M/s Jasraj Klanji'.*

8.5 On being asked 'Whether any documents were given by M/s Glossy Gems Private limited related to KYC approval to your firm?', he answered that '*Sir, KYC related documents submitted by M/s Glossy Gems Private limited include Authority and appointment letter for clearance of cargo, Copy of IEC, certificate of incorporation, copy of electricity bill of official address, rent agreement copy, GST Registration copy, AADHAR and PAN card of both directors, and PAN card of M/s Glossy Gems Private limited. I hereby submit copy of the same'.*

8.6 On being asked 'In respect of the shipment which was seized by customs vide seizure memo dated 29.12.2025, please provide details of documents provided to you by importer for filing BE?', he answered that '*Sir, we had received Documents such as Copy of Invoice, Master Airway Bill, House Airway Bill for the shipment via email from console agent M/s B.V. Chinai & Co.(I) Pvt Ltd. I want to add that we receive documents in all the imports only through Console agents. In this case we informed the importer via email, regarding the receipt of documents from console before filing of BE. No documents have been provided by importer'.*

8.7 On being asked 'Is M/s Glossy Gems Private limited the actual importer of the goods imported vide Bill of Entry no. 6262911 dated 12.12.2025 or goods have been imported on behalf of some other firm or person?', he answered that *'We have received information regarding the consignment through console and have confirmed the same from the importer i.e. M/s. Glossy Gems Private limited via E-mail.'*

8.8 On being asked 'Have you received confirmation from M/s Glossy Gems Private limited?', he answered that *'I have to confirm, will provide details in two days.'*

8.9 On being asked 'Now you are being shown valuation report dated 29.12.2025 in respect of the consignment, what do you want to say about this overvaluation being done in respect of this shipment?', he answered that *'Sir, I have no knowledge about Diamonds particularly its quality and Value. I cannot say anything about this valuation report, however I hereby put my dated signature on the report in lieu of having seen the same'.*

8.10 On being asked 'Were you aware that these shipments are overvalued?', he answered that *'No Sir, I was not aware that these shipments were overvalued.'*

8.11 On being asked 'What are your agency charges for clearance of Import and Export shipments and when you collect these charges?', he answered that *'My agency charges are Rs. 2000-2500 for clearance of Import and Export shipments. We collect the charges after LEO in respect of export and after delivery of Goods in respect of Import.'*

8.12 On being asked 'What were your agency charges in respect of clearance of the shipment imported by M/s Glossy Gems Private limited vide the Bill of Entry No. 6262911 dated 12.12.2025?', he answered that *'My agency charges are Rs.2000-2500 for clearance of the import shipments of M/s Glossy Gems Private limited.'*

8.13 On being asked 'How do you receive the agency charges for clearance of Import and Export shipments?', he answered that *'We received the payments through online and cheque only.'*

8.14 On being asked 'Whether you have received agency charges for clearance of the shipment imported by M/s Glossy Gems Private limited vide Bill of Entry No. 6262911 dated 12.12.2025 and the mode of the payment?', he answered that *'We have not received any charges in respect of these shipments because delivery of the goods not given till date.'*

8.15 On being asked 'Please provide your account statement and your firm i.e. Inmovers account statement for the last one year along with details of all transactions with M/s Glossy Gems Private limited?', he answered that *'Sir, I will submit by 23.01.2026'.*

8.16 On being asked 'Please provide details of documents filed by your CB firm in respect of importer M/s Glossy Gems Private limited and provide the medium of sharing the documents with date and time stamp by the concerned console?', he answered that *'Sir, I will submit by 23.01.2026'.*

9. The relevant provisions of Custom Act, 1962, with respect to subject matter, are reproduced as follows:

9.1 <u>Section 46 of the Customs Act, 1962; Entry of goods on importation</u> –

(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.

[46(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.]

9.2 Section 111 of the Customs Act, 1962; Confiscation of improperly imported goods, etc.

The following goods brought from a place outside India shall be liable to confiscation; -

(m) [any goods which do not correspond in respect of value or in any other particular] with the entry made under this Act or in the case of baggage with the declaration made under section 77 [in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54;]read with Section 3(4), Section 11 (1) of The Foreign Trade (Development and Regulation) Act, 1992 and Rule 11 of the Foreign Trade (Regulation) Rules, 1993.

9.3 Section 112 of the Customs Act, 1962; Penalty for improper importation of goods, etc.,

Any person, -
(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or
(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,
shall be liable,-
(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty [not exceeding the value of the goods or five thousand rupees], whichever is the greater;

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

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.]

9.4 *Section 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.]

9.5 SECTION 125: Option to pay fine in lieu of confiscation. –

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

[Provided that 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, [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.

10. Summary of the investigation:

10.1. M/s. Glossy Gems Private Limited, Surat (IEC : AAHCG1186H) imported shipment of rough diamonds from M/s. JSCA Gold & Diamond Trading DMCC, Dubai vide Bill of Entry No. 6262911 dated 12.12.2025. During the investigation, it was revealed that the shipment was highly overvalued to the tune of USD 3,22,994.06 as per the identification cum valuation certificate issued by three members panel of government-approved empanelled valuers. Shri Nemichand Mohanlal Kawadia, Director of the importer company stated in his statement dated 08.01.2026 that they perused the valuation report by the valuers Shri Ashiokbhai Lavjibhai Sojitra, Shri Maulin Shah & Shri Dashanbhai Sanghvi and agreed with the said valuation report. Thus, the mis-declaration in the value of goods by the importer constitutes a violation of Section 112 and Section 114AA of the Customs Act, 1962. Section 112 imposes penalty for improper importation of goods, including acts or omissions that render goods liable to confiscation under Section 111. Section 114AA imposes penalty for knowingly or intentionally making, signing, or using false or incorrect declarations, statements, or documents in the transaction of any business for the purposes of the Customs Act.

10.2. Based on the statement recorded under Section 108 of the Customs Act, 1962 and supporting documents provided by Shri Dinkar Laxman Kashid, Partner of Customs Broker firm M/s. Inmovers Cargo Care, it appears that the said Customs Broker is not involved in the instant case of overvaluation.

11. Submission of Importer:

The importer M/s. Glossy Gems Pvt. Ltd. has submitted letter dated 10.02.2026 vide which they have accepted the valuation of the goods as determined by the three members panel of Government empanelled valuers and requested Customs to impose minimum penalty permissible under law. Further, the importer has stated that they agree to discharge the minimum applicable duties, taxes and penalties as assessed by Customs for release of the goods. Further, vide the said letter, **the importer has sought waiver of Show Cause Notice and personal hearing.**

12. In view of the above, it can be said that the importer is liable for penalty under Section 112(a) for rendering subject goods liable for confiscation under Section 111(m) and also liable for penalty under Section 114AA of the Customs Act 1962 for knowingly or intentionally using false or incorrect documents for clearance of above-mentioned shipment.

Discussion and findings

13. I have carefully gone through the facts of the case, the written submissions of the noticee, and the documents placed before me. I find that the importer, M/s. Glossy Gems Pvt. Ltd., vide letter dated 10.02.2026, has voluntarily sought for waiver of issuance of the Show Cause Notice as well as the opportunity for personal hearing. Therefore, I proceed further to decide the case on merit on the basis of the records available and placed before me.

14. I find that the importer, M/s. Glossy Gems Private Limited, imported one consignment of Rough Diamonds vide Bill of Entry No. 6262911 dated 12.12.2025 declaring a quantity of 309.50 carats with declared invoice value of the goods of USD 8,43,185.49 (excluding shipping charges of USD 750). The goods were examined as per prescribed procedure and the declared quantity was found correct. However, doubts arose regarding the correctness of the declared value.

15. In find that during assessment of the said goods the goods appeared to be overvalued. Accordingly, a three-member panel of Government-approved expert valuers was constituted for determination of the correct value of the goods. As per the identification-cum-valuation certificate issued by the said panel, the actual value of the goods was determined at USD 5,20,192.33 as against the declared value of USD 8,43,185.49, resulting in an excess declared value of USD 3,22,994.06. This clearly establishes mis-declaration in respect of value of the imported goods.

16. I further find that the Director of the importing firm, Shri Nemichand Mohanlal Kawadia, in his statement recorded under Section 108 of the Customs Act, 1962, stated that the order for import was placed on telephonic discussion with the supplier and the purchase was made on the basis of verbal description of the goods. He also admitted that the supplier had sent only the invoice through WhatsApp and that no supporting documentary evidence regarding valuation or negotiation of price was available with him at the time of investigation. Such circumstances raise serious doubts regarding the genuineness and correctness of the declared transaction value.

17. I also observe that the importer, after being shown the valuation report prepared by the empanelled valuers, agreed with the valuation determined by the expert panel, except for stating that minor variation in prices may occur due to market conditions. This acceptance by the importer further strengthens the conclusion that the declared value was not the correct transaction value under Section 14 of the Customs Act, 1962 read with the Customs Valuation Rules.

18. Further, I find that the Customs Broker M/s. Inmovers Cargo Care had filed the Bill of Entry based on documents received through the console agent and had no independent role in determination of the value of the goods. The Customs Broker also stated that they had no knowledge regarding the overvaluation of the goods. No material evidence has been brought on record to establish any deliberate act or omission on their part contributing to the mis-declaration of value.

19. In view of the above facts and findings, I find that the declared value of the imported goods does not represent the true transaction value. The same has also been accepted by the importer during the course of investigation; therefore, the declared value is liable to rejection under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

The said Rule is reproduced as under: -

"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.

(2) At the request of an importer, the proper officer, shall intimate the importer in writing the grounds for doubting the truth or accuracy of the value declared in relation to goods imported by such importer and provide a reasonable opportunity of being heard, before taking a final decision under sub-rule (1).

Explanation. - (1) For the removal of doubts, it is hereby declared that: -
(i) This rule by itself does not provide a method for determination of value, it provides a mechanism and procedure for rejection of declared value in cases where there is reasonable doubt that the declared value does not represent the transaction value; where the declared value is rejected, the value shall be determined by proceeding sequentially in accordance with rules 4 to 9.
(ii) The declared value shall be accepted where the proper officer is satisfied about the truth and accuracy of the declared value after the said enquiry in consultation with the importers.
(iii) The proper officer shall have the powers to raise doubts on the truth or accuracy of the declared value based on certain reasons which may include –

(a) the significantly higher value at which identical or similar goods imported at or about the same time in comparable quantities in a comparable commercial transaction were assessed;
(b) the sale involves an abnormal discount or abnormal reduction from the ordinary competitive price;
(c) the sale involves special discounts limited to exclusive agents;
(d) the misdeclaration of goods in parameters such as description, quality, quantity, country of origin, year of manufacture or production;
(e) the non-declaration of parameters such as brand, grade, specifications that have relevance to value;
(f) the fraudulent or manipulated documents."

20. Considering the facts and circumstances of the case and the findings discussed hereinabove, I hold that the declared transaction value of the imported goods is not acceptable under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Since the value could not be determined under Rules 4 to 8 of the said Rules due to non-availability of contemporaneous import data of identical or similar goods and other requisite parameters, the assessable value is required to be re-determined under Rule 9 (Residual Method) of the said Rules. Accordingly, I accept the value determined on the basis of the identification-cum-valuation certificate issued by the Government-approved panel of valuers, amounting to USD 5,20,192.33, for the purpose of assessment under the Customs Valuation Rules, 2007.

21. I hold that the M/s. Glossy Gems Pvt. Ltd. imported the subject goods by mis-declaring their value, which directly contributed to improper importation of the goods. This act of mis-declaration of the transaction value of the imported goods by the importer, rendering the goods liable for confiscation under the provisions of Section 111(m) of the Customs Act, 1962.

22. I find that penalty u/s. 112 (a) is a mandatory penalty to be imposed on the errant importers whose acts rendered the goods liable for confiscation u/s. 111 of the Customs Act, 1962. I find that in the present case, it is apparent that the importer resorted to mis-declare the value of the goods. Therefore, these acts of omission and commission rendered the goods liable for confiscation u/s. 111 (m) of the Customs Act, 1962 and subsequently the Importer rendered themselves liable for penal action u/s. 112 (a) of the said Act *ibid*.

23. I further find that Shri Nemichand Mohanlal Kawadia, Director of M/s. Glossy Gems Pvt. Ltd., being actively involved in the import transaction and having caused filing of the Bill of Entry on the basis of unsupported and unverifiable documents received through informal channels, rendered himself liable for penalty under Section 112(a) of the Customs Act, 1962.

24. I also find that Shri Nemichand Mohanlal Kawadia knowingly caused submission of incorrect import documents relating to valuation and failed to maintain supporting documentary evidence regarding the declared transaction value, these acts of omission and commission on the part of the Importer made the provisions of Section 114AA invokable. Therefore, he is also liable for penalty under Section 114AA of the Customs Act, 1962.

25. I find that M/s. Inmovers Cargo Care, Customs Broker, had filed the Bill of Entry based on documents received through the console agent and no evidence has been brought on record to establish their knowledge or involvement in the mis-declaration of value. Therefore, penal provisions are not attracted against the Customs Broker in the present case.

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

Order

i. I order to reject the declared invoice value of USD 8,43,185.49 (INR 7,69,82,835.237) of the subject goods imported vide Bills of Entry No. 6262911 dated 12.12.2025 as per Customs Valuation Rules and order to re-determine the same as USD 5,20,192.33 (INR 4,74,93,559.729) as detailed in Table-II above.

ii. I order to confiscate the subject seized goods imported vide Bills of Entry No. 6262911 dated 12.12.2025 under Section 111(m) of the Customs Act, 1962. I order to give an option to the importer M/s Glossy Gems Pvt. Ltd. to redeem the said goods in lieu of confiscation on payment of redemption fine of Rs. 1,00,000/- (Rupees One Lakh Only) under the provisions of Section 125(1) of the Customs Act, 1962. <u>This option is to be exercised within 120 days of receipt of this order</u>.

iii. I order to impose a penalty of Rs.35,000/- (Rupees Thirty Five Thousand only) on M/s. Glossy Gems Pvt. Ltd. under Section 112(a) of the Customs Act, 1962.

iv. I order to impose a penalty of Rs.35,000/- (Rupees Thirty Five Thousand only) on Shri Nemichand Mohanlal Kawadia, Director of M/s. Glossy Gems Private limited 112(a) of the Customs Act, 1962.

v. I order to impose a penalty of Rs.50,000/- (Rupees Fifty Thousand only) on Shri Nemichand Mohanlal Kawadia, Director of M/s. Glossy Gems Private limited under Section 114AA of the Customs Act, 1962.

27. This order has been passed without prejudice to any other action that may be taken against the above-mentioned firm and person under the provision of the Customs Act, 1962 and/ or any other law, for time being in force in India.

(Lokesh Damor)

Digitally signed by
Lokesh Damor
Date: 24-04-2026
17:23:42

Additional Commissioner of Customs,
Surat Hira Bourse, Surat.

To,

1. M/s. Glossy Gems Pvt. Ltd. (Importer on record),
104, 1st Floor, SY-6/149-1420, Millenium Trade Centre,
Thoba Sheri, Mahidharpura, Surat, Gujarat-395003.

2. Shri Nemichand Mohanlal Kawadia s/o Mohanlal Kawadia.
903/A, Krishna Kunj Building, Salasar Brigh Bhoomi,
Opp Maxus Mall, Bhayander West, Thane, Maharashtra-401101.

Copy to:-

1. The Principal Commissioner of Customs, Ahmedabad.
2. The Deputy Commissioner of Customs, Surat Hira Bourse, Surat.
3. The System In –Charge, Customs HQ, Ahmedabad for uploading on the official website i.e. http://www.ahmedabadcustoms.gov.in.
4. Guard File/Office copy.