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|  | OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS CUSTOMS HOUSE, MP & SEZ MUNDRA, KUTCH-GUJARAT -370421 Email: Group6-mundra@gov.in |  सत्यमेव जयते |
| A FILE NO. फाइल संख्या | CUS/APR/INV/54/2026-Gr 5-6-O/o Pr Commr-Cus-Mundra | |
| B OIO NO. आदेश संख्या | MCH/ADC/ZDC/ 592 /2025-26 | |
| C PASSED BY जारीकर्ता | Dipak Zala, Additional Commissioner of Customs/ अपर आयुक्त सीमा शुल्क, Custom House, Mundra/कस्टम हाउस, मुंद्रा। | |
| D DATE OF ORDER आदेश की तारीख | 30-01-2026 | |
| E DATE OF ISSUE जारी करने की तिथि | 30-01-2026 | |
| F SCN No. & Date कारण बताओ नोटिस क्रमांक | Waived. | |
| G NOTICEE/ PARTY/ IMPORTER नोटिसकर्ता/पार्टी/आयातक | M/s. Sunshine International (CAGPK0723E) | |
| H DIN/ दस्तावेज पहचान संख्या | 20260171MO000000F233 | |

1. यह आदेश संबंधित को निःशुल्क प्रदान किया जाता है।

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

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

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

“सीमाशुल्क आयुक्त) अपील,
चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,
नवरंगपुरा, अहमदाबाद 380 009”

“THE COMMISSIONER OF CUSTOMS (APPEALS),

HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN ROAD,
NAVRANGPURA, AHMEDABAD-380 009.”

3. उक्त अपील यह आदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए।

Appeal shall be filed within sixty days from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5 -/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 be accompanied by –

- i. उक्त अपील की एक प्रति और A copy of the appeal, and
- ii. इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची 1-के अनुसार न्यायालय शुल्क अधिनियम 1870-के मद सं० 6-में निर्धारित 5 -/रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

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

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

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

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

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

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

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

BRIEF FACTS OF THE CASE

M/s. Sunshine International (IEC: CAGPK0723E) (hereinafter referred to as 'the importer' for the sake of brevity), having address at "PLOT NO 300 KH. NO. 155, GROUND FLOOR, LAL DORA North West Delhi 110039", had filed Z type Bill of entry no. 4706689 dated 24.09.2025, for import of goods viz. Trampoline, Matt and Trampoline Net, in container no. TXGU7754280. As per packing list and invoice, goods in the bill of entry are as follows:-

Table-1

| Item No. | CTH | Description of Item | Unit Price (in USD) | Quantity | UQC | Amount (in USD) |
|----------|----------|---------------------|---------------------|----------|-----|-----------------|
| 1 | 95069190 | 16Ft Trampoline | 31 | 190 | Pcs | 5890 |
| 2 | 95069190 | Matt | 2 | 100 | Pcs | 200 |
| 3 | 95069960 | Trampoline Net | 2 | 50 | Pcs | 100 |

1.1 Whereas, on the basis of intelligence developed, it was found, that the consignment of goods imported by the importer M/s. Sunshine International (IEC: CAGPK0723E) covered under SEZ (Z type) Bill of Entry No. 4706689 dated 24.09.2025 which is declared to contain 16Ft Trampoline (CTH 95069190), Matt (CTH 95069190) and Trampoline Net (CTH 95069960) appear to be risky for mis-declaration/concealment of goods. Accordingly, the said consignment was put on hold for 100% examination by SIIB, Custom House, Mundra.

EXAMINATION AND INVESTIGATION:

2.1 Whereas, the relevant details as mentioned in the SEZ (Z type) Bill of Entry No. 4706689 dated 24.09.2025 are as follows:

- Name & Address of the Importer: M/s. Sunshine International (IEC: CAGPK0723E), PLOT NO 300 KH. NO. 155, GROUND FLOOR, LAL DORA North West Delhi 110039,
- Name & Address of the Supplier: M/s ZHEJIANG G SPORTS TECHNOLOGY CO, LTD Add- No. 3 Hangshan Road, Jiangdong town, Jindong District, Jinhua.
- No of Packages declared: 530 Pkgs.

2.2. Whereas, the officers of the SIIB Section, Customs House, Mundra conducted examination of the said consignment imported vide SEZ (Z type) Bill of Entry No. 4706689 dated 24.09.2025, stuffed in Container No. TXGU7754280/40'on 01.10.2025 in presence of authorized representative of the importer.

2.3 Whereas, during examination of the goods imported, the total number of Package/bundles has been found as 530 Packages. Further, the details of the Goods found during examination are as mentioned as below:

Table-2

| Sr. No. | Description of item | No of packages | Weight of cargo as per CFS weighment slip (in kgs) |
|---------|------------------------|----------------|--|
| 1 | 16 Ft Trampoline (1/2) | 190 | 19280 |
| 2 | 16 Ft Trampoline (2/2) | 190 | |
| 3 | Matt | 100 | |
| 4 | Trampoline Net | 50 | |
| Total | | 530 | |

The goods were found to be as declared in terms of quantity and description.

2.4 In the present matter, DTA Bill of Entry has not been filed till date. Here, it is pertinent to mention that as per Rules 48 of SEZ rules, 2006, some of the provisions of Customs Act, 1962 come in picture only after filling of DTA bill of Entry.

The Rule 47 (4) of the SEZ Rules, 2006 read as under:

(4) Valuation and assessment of the goods cleared into Domestic Tariff Area shall be made in accordance with Customs Act and rules made thereunder.

The Rule 48(2) of the SEZ rules is reproduced below:

“(2) Valuation of the goods and/or services cleared into Domestic Tariff Area shall be determined in accordance with provisions of Customs Act and rules made thereunder as applicable to goods when imported into India”

2.5 Here, it is pertinent to mention that the importer has filed a SEZ WH/Z Type Bill of Entry for Home consumption without any mention of re-export, and during self-assessment, they have levied the applicable BCD instead of recognizing the non-applicability of BCD in the case of re-export. Additionally, it should be noted that when goods are imported for re-export purposes, this must be declared in the import Bill of Entry (BOE). Upon examining the submitted documents, it is clear that the invoice and packing list were issued to the buyer/consignee declared as the importer in the Bill of Entry and the Bill of Lading listed the importer as the consignee.

2.6 Furthermore, a warehouse/Z Type BOE is typically filed when goods are imported and stored in a bonded warehouse without immediate payment of customs duties. The duties are deferred until the goods are either cleared for domestic consumption or re-exported. During the self-assessment process, the importer levied the applicable BCD, which further supports the interpretation that the goods were not intended for re-export. In the case of goods meant for re-export, the BCD would be zero, and this should be explicitly stated. The self-assessment process allows importers to declare the classification and applicable duties on imported goods. By levying the BCD, the importer effectively confirmed that the goods were meant for domestic clearance (DTA) and not for re-export. Therefore, based on these facts, it is evident that the, though the SEZ Unit/Importer did not file a DTA BE, but the available information supports the conclusion that the goods were intended for DTA clearance only.

2.7 Further, the assessable value of the imported items declared by the importer under Rule 3 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 ('CV Rules' for sake of brevity) in the SEZ- Z Type B.E as Rs. 8,24,972.25/- appears appropriate to be rejected in terms of Rule 12 of the Rules, *ibid*. To ascertain the value of cargo, attempts have been made to get the details from the previous bills of entry filed by the importer and as well as NIDB data for similar and identical during the relevant period was done. However, due to various items without specification and detail, valuation of identical or similar items cannot be ascertained. Thus, valuation of the item under import could not be determined in terms of Rule 4 to 8 of the CV Rules, *ibid*. Therefore, valuation of the goods was found appropriate to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid* and hence, opinion of the empanelled Chartered Engineer was sought for determination of the value of the goods under import. The empanelled Chartered Engineer Shri Ajay Jhala has submitted his observations vide report ABJ:INSP:CE:SIIB:SI:HOL:25-26:02. The Empanelled CE has ascertained the CIF value of the imported consignment Rs. 11,34,615/- (12,770/- USD) as item-wise details mentioned here under:

TABLE-3

| Sr. No. | Description of item | No. of packages on examination | Per unit avg suggestive CIF value of goods in quantity in USD | Total Average suggestive CIF value of goods in bulk quantity in USD | Assessable Value (in INR) as per CE valuation |
|---------|------------------------|--------------------------------|---|---|---|
| 1 | 16 Ft Trampoline (1/2) | 190 | 53 | 10070 | 894720 |
| 2 | 16 Ft Trampoline (2/2) | 190 | | | |
| 3 | Matt | 100 | 22.5 | 2250 | 199913 |
| 4 | Trampoline Net | 50 | 9 | 450 | 39983 |

2.8 The importer has declared the total assessable value of the consignment as **Rs. 8,24,972.25/-** in the SEZ Z Type Bill of Entry No. 4706689 dated 24.09.2025. However, as per the report submitted by the Chartered Engineer the suggestive value of the consignment is Rs. 11,34,615/- (12,770/- USD *88.85 (Exchange Rate)). Thus, it appears that the subjected consignment has been undervalued to the extent of **Rs. 3,09,643/-** on account of mis-declaration

of the imported goods by the said importer.

2.9 Thus, by way of mis-declaration of the items in terms of description, as discussed above, short levy of the Customs duty to the tune of **Rs. 99,387/- (BCD- 33,630/-+ SWS-3,363 +IGST- 62,394/-** (as calculated in below Table) :-

Table-4

| S r. N o. | Description (as per Test Report) | No. of rolls on examination | Per unit avg suggestive CIF value of goods in bulk quantity in USD | Total Average suggestive CIF value of goods in bulk quantity in USD | Assessable Value (in INR) as per CE valuation | Duty declared by the importer in SEZ Z type BE no. 4706689 dated 24.09.2025 | | | | Duty payable as per assessable value ascertained by CE | | | | Differential Duty recoverable | | | |
|--------------------|----------------------------------|-----------------------------|--|---|---|---|--------------|---------------|----------------|--|--------------|---------------|----------------|-------------------------------|--------------|---------------|----------------|
| | | | | | | BCD (in Rs.) | SWS (in Rs.) | IGST (in Rs.) | TOTAL (in Rs.) | BCD (in Rs.) | SWS (in Rs.) | IGST (in Rs.) | TOTAL (in Rs.) | BCD (in Rs.) | SWS (in Rs.) | IGST (in Rs.) | TOTAL (in Rs.) |
| 1 | 16 Ft Trampoline (1/2) | 190 | 53 | 10070 | 894720 | 78499 | 7850 | 156841 | 243190 | 89472 | 8947 | 1765 | 277184 | 10973 | 1097 | 21924 | 33994 |
| 2 | 16 Ft Trampoline (2/2) | 190 | | | | 2666 | 267 | 5326 | 82581 | 1999 | 39943 | 61933 | 17326 | 1733 | 34617 | 53617 | 5361 |
| 4 | Trampoline Net | 50 | 9 | 450 | 39983 | 2666 | 267 | 2927 | 5859 | 7997 | 800 | 8780 | 17576 | 5331 | 533 | 5853 | 11718 |
| Total | | | | | 1134615 | 83830 | 8383 | 165093 | 257307 | | | | 356693 | 33630 | 3363 | 62394 | 99387 |

2.10 The said importer vide their letter dated 10.01.2026 also submitted that they are agreed with the value ascertained for each of the products as per CE report. The importer has also submitted that they do not want any show cause notice or personal hearing in this matter and they are ready to pay whatever duty, penalty, redemption fine or other charges as imposed by the Competent Authority under the provisions of Customs Law.

LEGAL PROVISIONS:

3.1 As per Section 2 (39), '**smuggling**', in relation to any goods, means *any act or omission which will render such goods liable to confiscation under section 111 or section 113;*

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

3.3. Further, **Section 111** of the Act, prescribes the Confiscation of improperly imported goods, etc. as under

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

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

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

3.4 Further, Section 112 of the Act provides the 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, harboring, 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.

3.5 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.

3.6 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.

4. OUTCOME OF THE INVESTIGATION:

4.1 From the above discussion, it appears that the importer has filed SEZ Z Type Bill of Entry No. 4706689 dated 24.09.2025 for import of 16Ft Trampoline (CTH 95069190), Matt (CTH 95069190) and Trampoline Net (CTH 95069960). Upon investigation, it was noticed that the items under import were undervalued in terms of valuation of the consignment. Therefore, value of the

consignments declared by the importer under Rule 3 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 ('CV Rules' for sake of brevity) appears liable to be rejected in terms of Rule 12 of the Rules, *ibid*. Since, the items found during the examination are of unbranded with no specification, the valuation of the same could not be determined in terms of Rule 4 to 8 of the CV Rules, *ibid*. Therefore, valuation of the goods was found to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid* and hence, opinion of the empanelled Chartered Engineer was sought for determination of the value of the goods under import.

4.2 Further, as per the empanelled Chartered Engineer report, the value of the consignment under import is ascertained to Rs. 11,34,615/- (12,770/-USD) against declared value of Rs. 8,24,972.25/-. Thus, it appears that the subjected consignment was undervalued to the tune of Rs. 3,09,643/- on account of mis-declaration of the imported goods in terms of valuation. Thus, by way of mis-declaration of the items under import, in terms of valuation, as worked out at Para-2.12 short levy of the Customs duty to the tune of Rs. 99,387/- (BCD-33,630/-+ SWS-3,363 +IGST- 62,394/-as calculated at Annexure A) has been detected in the present case & the same is recoverable from the importer.

4.3 Accordingly, it is found that the goods imported by the said importer (as mentioned in **Table- 2 & 3**) having assessable value ascertained to Rs. 11,34,615/- (12,770 USD) do not correspond in respect of value and particulars thereof in the SEZ Z Type Bill of Entry No. 4706689 dated 24.09.2025 filed by the said importer. Hence, the said goods having assessable value ascertained to Rs. 11,34,615/- (12,770 USD) are found liable for confiscation under Section 111 (m) of the Customs Act, 1962.

4.4 In view of the above, it is found that the importer has mis declared the items under import vide SEZ Z Type Bill of Entry No. 4706689 dated 24.09.2025 in terms of value thereof. Therefore, it appears that the importer has contravened Section 14 and Section 46 of the Customs Act, 1962 read with Rule 11 of the CVR, 2007 in as much as the failed to declare correct value of the goods in the Customs document filed by them. These acts of omission and commission on the part of importer have made the imported goods [as mentioned in as mentioned in Table-2 & Table-3 above] having re-determined value of Rs 11,34,615/- (12,770 USD) covered under SEZ Z Type Bill of Entry No. 4706689 dated 24.09.2025 are liable for confiscation under Section 111 (m) of the Act, *ibid* and has thus rendered themselves liable for penal action under Section 112 (a) of the Customs Act, 1962.

4.5 In the instant case, as mentioned in Table-3 above, the value of goods

imported vide the 11,34,615/- (12,770/-USD) have been found mis-declared by the said importer in the said Bill of Entry. Further, Section 114AA of the Customs Act, 1962, prescribed that "*If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods*". Accordingly, in the instant case, it also appears that the importer made themselves liable to the penalty leviable under said Section 114AA of the said Act.

4.6 Furthermore, it appears that by mis-declaring the value of the goods under import, the importer has also short levied the duty amounting to Rs. 99,387/- (BCD- 33,630/-+ SWS-3,363 +IGST- 62,394/- as calculated at Annexure A) which is required to be added into the respective DTA Bill of Entry, likely to be filed by the importer.

5. In view of the above, it appears that: -

- i. The declared value, i.e. Rs. 8,24,972.25/- of the consignment covered under Z Type SEZ Bill of Entry No 4706689 dated 24.09.2025 is liable to be rejected at the time of filing DTA B.E, under Rule 12 of the CVR, 2007 and required to be re-determined at Rs 11,34,615/- as opined by the CE report at the time of filling of DTA Bill of Entry in terms of Rule 9 of the Rules, *ibid*, read with Rule 47 (4) of the SEZ Rules, 2006;
- ii. The imported goods having re-determined value of Rs 11,34,615/- are liable for confiscation under Section 111 (m) of the Act, *ibid*;
- iii. The differential duty amounting Rs. 99,387/- (BCD- 33,630/-+ SWS-3,363 +IGST- 62,394/-, as calculated at Annexure A) short levied on the imported items by the importer is required to be added (in addition to the total amount of Rs 2,57,307/- declared as duty) in the Z Type SEZ Bill of Entry No. 4706689 dated 24.09.2025 into the DTA Bill of Entry, likely to be filed by the importer and to be recovered accordingly.
- iv. Penalty under Section 112 (a) of the Customs Act, 1962 is imposable upon the importer, as discussed in Para 4.3 & 4.4 above.
- v. Penalty under Section 114AA of the Customs Act, 1962 is imposable upon the importer as discussed in Para-4.5 above.

5 . 1 In view of the above an Investigation report no. 220/2025-26 dated 15.01.2026 has been issued by SIIB, Mundra Customs.

WAIVER OF NOTICE AND PERSONAL HEARING

6. The importer vide their email dated 10.01.2026 also submitted that they are agreed with the value ascertained as per CE report The importer has also submitted that they do not want any show cause notice or personal hearing in

this matter.

DISCUSSION AND FINDINGS

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7. I have carefully gone through the facts of the case, Investigation Report and notices submissions. I observed that the Importer during the investigation already waived the right of Show Cause Notice and personal hearing. I find that the condition of Principles of Natural Justice under Section 122A of the Customs Act, 1962 has been complied. Considering this scenario, I find it appropriate to proceed with the adjudication proceedings in terms of merit of the case.

8. I find that M/s. Sunshine International (IEC: CAGPK0723E), had filed Z type Bill of entry no. 4706689 dated 24.09.2025, for import of goods viz. Trampoline, Matt and Trampoline Net, in container no. TXGU7754280. The details of the goods imported vide said Bill of entry are as mentioned in Table-1 above.

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8.1 I find that on the basis of intelligence developed, it was found, that the consignment of goods imported by the importer M/s. Sunshine International (IEC: CAGPK0723E) covered under SEZ (Z type) Bill of Entry No. 4706689 dated 24.09.2025 which is declared to contain 16Ft Trampoline (CTH 95069190), Matt (CTH 95069190) and Trampoline Net (CTH 95069960) appeared to be risky for mis-declaration/concealment of goods. Accordingly, the said consignment was put on hold for 100% examination by SIIB, Custom House, Mundra.

8.2 I find that the officers of the SIIB Section, Customs House, Mundra conducted examination of the said consignment imported vide SEZ (Z type) Bill of Entry No. 4706689 dated 24.09.2025, stuffed in Container No. TXGU7754280/40' on 01.10.2025 in presence of authorized representative of the importer.

8.3 I find that during examination of the goods imported, the total number of Package/bundles has been found as 530 Packages. Further, the details of the Goods found during examination are as mentioned in Table-2 above. The goods were found to be as declared in terms of quantity and description.

8.4 I find that In the present matter, DTA Bill of Entry has not been filed till date. Here, it is pertinent to mention that as per Rules 48 of SEZ rules, 2006, some of the provisions of Customs Act, 1962 come in picture only after filling of

DTA bill of Entry.

The Rule 47 (4) of the SEZ Rules, 2006 read as under:

(4) Valuation and assessment of the goods cleared into Domestic Tariff Area shall be made in accordance with Customs Act and rules made thereunder.

The Rule 48(2) of the SEZ rules is reproduced below:

“(2) Valuation of the goods and/or services cleared into Domestic Tariff Area shall be determined in accordance with provisions of Customs Act and rules made thereunder as applicable to goods when imported into India”

8.5 I find that the importer has filed a SEZ WH/Z Type Bill of Entry intended for clearance under Home consumption without any mention of re-export. Additionally, it should be noted that when goods are imported for re-export purposes, this must be declared in the import Bill of Entry (BOE). Upon examining the submitted documents, it is clear that the invoice and packing list were issued to the buyer/consignee declared as the importer in the Bill of Entry and the Bill of Lading listed the importer as the consignee.

8.6 I further find that SEZ WH/Z Type BOE is typically filed when goods are imported and stored in a bonded warehouse without immediate payment of customs duties. The duties are deferred until the goods are either cleared for domestic consumption or re-exported. During the self-assessment process, the importer has nowhere mentioned that goods are meant for re-export. The self-assessment process allows importers to declare the classification and applicable duties on imported goods. It is pertinent to note that the importer filed SEZ WH/Z Type Bill of Entry for clearance of goods under Home Consumption without mentioning re-export.

8.7 I find that the assessable value of the imported items declared by the importer under Rule 3 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 in the SEZ- Z Type B.E as Rs. 8,24,972.25/- appears appropriate to be rejected in terms of Rule 12 of the Rules, *ibid*. To ascertain the value of cargo, attempts have been made to get the details from the previous bills of entry filed by the importer and as well as NIDB data for similar and identical during the relevant period was done. However, due to various items without specification and detail, valuation of identical or similar items cannot be ascertained. Thus, valuation of the item under import could not be determined in terms of Rule 4 to 8 of the CV Rules, *ibid*. Therefore, valuation of the goods was found appropriate to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid* and hence,

opinion of the empanelled Chartered Engineer was sought for determination of the value of the goods under import. The empanelled Chartered Engineer Shri Ajay Jhala has submitted his observations vide report ABJ:INSP:CE:SIIB:SI:HOL:25-26:02. The Empanelled CE has ascertained the CIF value of the imported consignment Rs. 11,34,615/- (12,770/- USD) as item-wise details mentioned in Table-3 above.

8.8 I find that The importer has declared the total assessable value of the consignment as **Rs. 8,24,972.25/-** in the Z-Type Bill of Entry No. 4706689 dated 24.09.2025. However, as per the report submitted by the Chartered Engineer the suggestive value of the consignment is Rs. 11,34,615/- (12,770/- USD *88.85 (Exchange Rate). Thus, it appears that the subjected consignment has been undervalued to the extent of **Rs. 3,09,643/-** on account of mis-declaration of the imported goods by the said importer.

8.9 I find that by way of mis-declaration as discussed above, short levy of the Customs duty to the tune of **Rs. 99,387/- (BCD- 33,630/-+ SWS-3,363 +IGST- 62,394/-**, as calculated in Table-4 above.

9 . CONFISCATION OF THE GOODS UNDER SECTION 111(m) OF THE CUSTOMS ACT, 1962

9 . 1 It is alleged that the goods are liable for confiscation under Sections 111(m) of the Customs Act, 1962. In this regard, I find that as far as confiscation of goods is concerned, Section 111 of the Customs Act, 1962 defines the Confiscation of improperly imported goods. The relevant legal provisions of Section 111 of the Customs Act, 1962 are reproduced below:-

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

...

(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof.

...”

9.2 I find that the declared transaction value has been rightly rejected under Rule 12 of CVR, 2007 and re-determined under Rule 9 read with Section 14 of the Customs Act, 1962 at Rs. 11,34,615/-. The importer has undervalued the goods, due to which the goods do not correspond to the declared value in the Bill of Entry. Hence, the goods are liable for confiscation under Section 111(m) of the Customs Act, 1962.

9.3 I find that as the goods are liable for confiscation under Section 111(m) of the Customs Act, 1962, I find it necessary to consider whether redemption fine under Section 125 of the Customs Act, 1962 is liable to be imposed in lieu of confiscation. Section 125 reads as under:

“Section 125. Option to pay fine in lieu of confiscation.—

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

9.3.1 A plain reading of the above provision shows that imposition of redemption fine is an option in lieu of confiscation. It provides an opportunity to the owner of the confiscated goods for release by paying redemption fine where there is no absolute prohibition on import. Therefore, I give an option to the importer to redeem all the goods on payment of redemption fine.

9.4 From the above, it is evident that the importer M/s. Sunshine International has done mis-declaration of the value of the declared goods and therefore, the goods found during examination are liable for confiscation under Section 111(m) of the Customs Act, 1962. Thus, by these acts, the Importer has rendered the subject goods liable for confiscation and also rendered themselves liable for penalty under Section 112(a)(ii) of the Customs Act, 1962.

10. As regards penalty under Section 114AA of the Customs Act, 1962, Section 114AA mandates penal action for intentional use of false and incorrect material. From the investigation and material on record, it is observed that the importer has knowingly and intentionally made/signed/used import documents (including invoice and Bill of Entry) which were false or incorrect in material particulars such as description, quantity, classification and valuation, with mala-fide intent. Therefore, the importer is liable to penalty under Section 114AA of the Customs Act, 1962.

11. With respect to the applicability of duty mentioned above, I confirm the same and hold that it should be levied at the time of re-assessment.

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

ORDER

i. I order to reject the declared assessable value of Rs. 8,24,972.25/- and

order to re-determine the same as **Rs. 11,34,615/- (Rupees Eleven Lakhs Thirty Four Thousand Six Hundred Fifteen only)**, as per Table-3 above, under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

ii. I order to re-assess the Z-type Bill of Entry No. 4706689 dated 24.09.2025 accordingly under Section 17(4) of the Customs Act, 1962.

iii. I order for confiscation of the goods having assessable value of Rs. 11,34,615/- under Section 111(m) of the Customs Act, 1962. However, I give an option to the Importer to redeem the same on payment of redemption fine of Rs.1,10,000/- (Rupees One Lakh Ten Thousand only) under Section 125(1) of the Customs Act, 1962.

iv. I impose a penalty of Rs.9,000 /- (Rupees Nine Thousand only) upon the Importer M/s. Sunshine International under Section 112(a)(ii) of the Customs Act, 1962.

v. I impose a penalty of Rs. 10,000/- (Rupees Ten Thousand only) upon the Importer M/s. Sunshine International 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 claimant under the provisions of the Customs Act, 1962 or rules made thereunder or under any other law for the time being in force.

Additional Commissioner of
Customs,
Import Assessment Group,
Customs House, Mundra

F.No. CUS/APR/INV/54/2026-Gr5-6-O/o Pr Commr-Cus-Mundra

To:

M/s. Sunshine International (IEC: CAGPK0723E),
PLOT NO 300 KH. NO. 155, GROUND FLOOR,
LAL DORA, North West Delhi 110039.

Copy to:

- (i) The Additional Commissioner of Customs, (SIIB), Customs House, Mundra.
- (ii) The Dy./Asstt. Commissioner (EDI), Customs House, Mundra.
- (iii) The Dy./Asstt. Commissioner (RRA/TRC), Customs House, Mundra.