

	<p>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, एमपी और एसईजेड, मुंद्रा, कच्छ-गुजरात -370421 OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, MP & SEZ MUNDRA, KUTCH-GUJARAT PHONE : 02838-271426/271428 FAX :02838-271425 Mail: group3-mundra@gov.in</p>	
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A	फा. सं./FILE NO.	F. No. CUS/APR/INV/524/2025-Gr 3
B	मूल आदेश संख्या/ ORDER-IN-ORIGINAL NO.	MCH/ADC/ZDC/235/2025-26
C	द्वारा पारित किया गया / PASSED BY	Dipak Zala Addl. Commissioner of Customs Mundra Customs House
D	आदेश की तिथि DATE OF ORDER	04.09.2025
E	जारी करने की तिथि DATE OF ISSUE	04.09.2025
F	कारण बताओ नोटिस संख्या & तिथि SCN NUMBER & DATE	SCN and PH Waiver sought vide letter dated 21.07.2025
G	आयातक / नोटिस प्राप्तकर्ता IMPORTER / NOTICEE	M/s VPCG Exim Private Limited 221, Powai Plaza, Hiranandani Gardens, Powai, Mumbai, Maharashtra-400076
H	डिन संख्या /DIN NUMBER	20250971MO0000621784

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 सीमा शुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमा शुल्क 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:

“सीमा शुल्क आयुक्त (अपील),

चौथी मंजिल, हुड़को बिल्डिंग, ईश्वरभुवन रोड,

नवरंगपुरा, अहमदाबाद 380 009”

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

3. उक्तअपील यहआदेश 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 सं°-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 ऊँटी/ 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

A NCTC alert No. 2025-26/IMP/2322-dated 28.06.2025 was received to the effect of possibility of mis declaration and concealment against the import consignment covered under Home Consumption B/E No. 2826160 dated 23.06.2025 filed at Mundra Sea Port (INMUN1).

2. M/s VPCG Exim Private Limited (IEC 0316900508), (hereinafter referred to as 'the importer' for the sake of brevity) having address at 221, Powai Plaza, Hiranandani Gardens, Powai, Mumbai, Maharashtra-400076 filed Home Consumption Bill of Entry No. 2826160 dated 23.06.2025 for import of goods declared as "ARI Floor Covering (10-15% Jute)" under CTH 57050031. The declared Country of origin of the goods is Malaysia and shipper is M/s Ace Paradise Trade SDN BHD. The details of the B/E are as follows: -

Table-I

(Exchange Rate :- 1USD = Rs.

87.65)

B/E No. & date	Bill of Lading No. & Date Container No.	Declared Goods	Declare d HSN Code	Declare d Quantit y (Net Weight)	Declared Unit Price	Declared Assessabl e Value (in Rs.)	Declare d Duty (in Rs.)
282616 0 dated 23.06.2 025	DXB511027 MUN dated 14.06.2025 SEKU6548 628	ARI Floor Covering (10-15% Jute)	570500 31	6183.89 SQM	2.3 USD/SQ M	12,47,180 /-	4,56,96 7/-

3. On the basis of NCTC alert, goods covered under B/E No. 2826160 dated 23.06.2025 was put on hold for SIIB examination purpose. The examination of the goods was carried out at All Cargo Terminal Limited CFS, Mundra on 05.07.2025 in the presence of Shri Sunil Kumar Mishra, director of Ms/ VPCG Exim Private Limited and Shri Ashok Kumar Giri, Deputy Manager, Operation of M/s All Cargo Terminals Limited CFS. The seal placed on the container was checked/verified and found intact and tally with the number mentioned in the Bill of lading.

4. Further, before beginning the examination, the weighment slip of the containers generated at CFS weighbridge are cross checked. The weight mentioned on the slips as well as Bills of Lading are as under:-

Table-II

Sr. No.	Bill of Entry & Date	Container No.	B/L Weight (Kgs.)	CFS Weight (Kgs.)	Difference
1	2826160 dated 23.06.202 5	SEKU654862 8	15870	15880	10

5. Further, Gate of container was opened for the examination of the goods. Upon opening the gate, it was found that goods were stuffed into the container in the form of Rolls. Thereafter, entire cargo was de stuffed in the warehouse from container with the help of labour for the examination. During de-stuffing, it was revealed that goods which were in rolls form having different size and colours, appears similar. Further, a sticker was pasted on each rolls wherein quality, density, design, colour code and size were mentioned. Further, in most of rolls, a big sticker was also pasted wherein “Makran Collection made in IRAN, design, colour and size” was mentioned on rolls.

6. During examination, goods were found as floor covering. However, the actual nature, description, and composition of the goods i.e. floor coverings cannot be ascertained visually. Therefore, to accurately determine the relevant characteristics i.e. description, composition, GSM etc., in respect of goods mentioned above, 01 representative sample were drawn and same were forwarded to CRCL, Kandla for testing purpose vide Test Memo No. 103/2025-26 dated 08.07.2025. The test report in respect of Test Memo No. 103/2025-26 were received on 16.07.2025 which is as under: -

“The sample as received is in the form of an irregular cut piece of readymade textile article (Floor Covering). It is made of two-layer base woven fabric made of polypropylene, vegetable fibre (Jute) and blended spun yarn of polyester and cotton tufted with assorted colour yarns made of polypropylene (Cut Piles) on other side. GSM (as such) = 2218.18, Total polypropylene = 68.28%, Vegetable Fibre (Jute) = 12.69%, Polyester = 8.2%, Cotton Yarns = 7.4%, Adhesive = Balance”

7. The aforementioned test reports were subsequently conveyed to the importer by this office on 19.07.2025 on their email id vpcgexim@gmail.com for perusal and acceptance purpose. Importer vide email dated 21.07.2025 accepted the test report and further requested to decide the matter on merit basis.

8. As per the test report received from the CRCL, Kandla, the goods were found to be tufted, hence, prima facie, merit classification under CTH 5703. The CTH 5703 reads as under: -

5703 Carpets and other textile floor coverings (including turf), tufted, whether or not made up
570310 - Of wool or fine animal hair:

	-	Of nylon or other polyamides:
	-	Of other man-made textile material
57033100	--	Turf
570339	--	Other
57033910	---	Carpets, carpeting and rugs
57033990	---	Others

As per test report, Polypropylene is 68.28% and polypropylene is man-made textile material, hence, *prima facie*, appears to rightly classifiable under 57033990 as there is 3rd triple dash (---) level entry under 2nd double dash level entry under single dash level entry of other man-made textile material.

9. Further CTH 5703390 attracts BCD @ 20% or Rs. 55 per sq. mtr., whichever is higher + IGST @ 12% instead of declared CTH 57050031 wherein applicable duty is @ 36.640% (BCD @ 20%+SWS@2%+IGST@12%).

10. During Examination, goods were found mis declaration in terms of CTH, Country of Origin etc. Hence, value declared by importer does not appear to be true transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the Customs Valuation (determination of Value of Imported Goods) Rules, 2007 and thus the same appear liable to be rejected in terms of Rule 12 of CVR, 2007. The value is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of CVR, 2007.

11. As mentioned above, the declared assessable value of the goods, Rs. 12,47,180/- of Bill of Entry No. 2826160 dated 23.06.2025 cannot be considered as assessable value of the goods and hence the same is liable to be rejected under Rule 12 of Customs Valuation Rules 2007.

12. Since, data of data of import of identical goods i.e. brand name, supplier name etc. is not available, hence, value of the goods cannot be determined using Rule 4. Subsequently Rule 5 of Customs Valuation Rules 2007 is to be applied to arrive at the correct value of the subject consignment.

13. As per Rule 5 of Customs Valuation Rules, 2007, 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. As per contemporary data available for similar item, it is noticed that importer has imported similar type of goods at unit price of 308.90 Per square Meter (Reference B/E No. 9449593 dated 12.04.2025). Accordingly, the same has

been taken as reference for redetermination of valuation of goods imported vide B/E No. 2826160 dated 23.06.2025. The redetermined assessable value is as under: -

Table-G

(Exchange unit price 1USD = Rs. 87.65)

B/E No. & Date	Goods Description	Qty. Found	Redetermined Unit price	Redetermined Assessable Value	Declared Assessable Value	Difference
2826160 dated 23.06.2025	ARI Floor Covering	6183.89 SQM	Rs. 308.90 / M ²	19,10,204	12,47,180	6,63,024

14. in view of redetermined assessable value and change in CTH, duty leviable on goods imported vide B/E No. 2826160 dated 23.06.2025 under CTH 57033990 is being re calculated which is as under: -

Table-IV

(Exchange Rate :- 1 USD = Rs. 87.65)

B/E No.	Redetermined CTH	Qty.	Total Redetermined Assessable Value in Rs.	BCD @ 20%	IGS T@1 2%	Total Redetermined Duty	Duty declared by importer	Difference
2826160 dated 23.06.2025	5703 3990 5	618 3.89 SQ M.	19,10,204	382041	275 069	65711 0	45696 7	200143

15. Further, statement of Shri Sunil Kumar Mishra, director of M/s VPCG Exim Private Limited was recorded on 05.08.2025 wherein he interalia stated that: -

- *They filed B/E No. 2826160 dated 23.06.2025 under self. They did not hire any CB for clearance purpose. they clear goods under self.*
- *He completely agrees with test report dated 16.07.2025. further, He also agree with redetermined CTH 57033990.*
- *Based on 10-15% Jute composition in these impugned goods, they filed B/E under CTH 57050031.*
- *They ordered goods from supplier M/s ACE Paradise Trade SDN BHD, Malasiya and goods were loaded from Malasiya. W.r.t. marking of IRAN, it came to notice to them also at the time of examination. They do not know from where supplier procured goods. They sent payment to Malasiya based supplier. In proof of same, He submitted copy of remittance copy.*
- *They do not want any Show Cause Notice or Personal Hearing in the matter and requests for waiver of the same. Further, it is requested to decide the matter on merits at the earliest please.*

16. In view of above, from the investigation conducted so far, *prima facie*, it appears that importer has tried to clear the goods covered under B/E No. 2826160 dated 23.06.2025 by way of mis- classification under CTH 57050031 instead of correct CTH 57033990 and undervaluation in order to evade duty payment on higher assessable value. These acts of omission and commission on the part of importer has made the goods imported vide B/E No. liable for confiscation under Section 111 (m) of the Act, *ibid* and has thus rendered themselves liable for penal action under Section 112 (a) (ii) of the Customs Act, 1962. Furthermore, it appears that by mis declaring and mis classifying the goods, the importer has also short-declared the duty amounting to Rs. 2,00,143/- (Rs. Two Lacs One Hundred Forty-Three).

17. Further, it is found that, the importer has failed to declare true and correct CTH of the impugned goods. Thus, by the act of omission and commission at the level of importer, it appears that, the importer has contravened the provisions of Section 46 and Section 17 of the Customs Act, 1962, in as much as, they failed to make correct and true declaration and information to the Customs Officer in the form of Bill of Entry and also failed to assess their duty liability correctly. Further, as per goods, actual country of origin of the goods is IRAN instead of declared Country of Origin Malaysia. Hence, due to above said act of omission and commission on the part of importer, importer has rendered themselves liable for penalty under section 114AA of the Customs Act, 1962.

18. RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

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

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

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

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

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

Section 46. Entry of goods on importation:

.....

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

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

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

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

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

or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54;

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

Any person,-

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),

shall be liable,-

.....

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:

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.]

19. Further, importer M/s VPCG Exim Private Limited vide letter dated 21.07.2025 has requested for waiver of Show Cause Notice and Personal Hearing in this matter and further requested to decide the case on merit basis.

20. In view of the above facts, it appears that –

- i) The declared CTH 57050031 is liable to be rejected and required to be redetermined as 57033990 as discussed in paras supra.
- ii) The declared assessable value of Rs. 12,47,180/- (Rs. Twelve Lacs Forty-Seven Thousand One Hundred Eighty) is liable to be rejected and the same is liable to be redetermined as Rs. 19,10,204 (Rs. Nineteen Lacs Ten Thousand Two Hundred Four) under Rule 5 of CVR, 2007.
- iii) The declared Country of Origin Malaysia is liable to be rejected and the same is liable to be redetermined as IRAN.
- iv) The Bill of Entry no. 2826160 dated 23.06.2025 is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962.

v) The goods imported vide impugned Bill of Entry no. 2826160 dated 23.06.2025 by way of mis classification are liable for confiscation under Section 111(m) of the Customs Act, 1962.

vi) The importer M/s VPCG Exim Private Limited (IEC 0316900508) is liable for Penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962.

21. Discussions and Findings

21.1 I have carefully gone through the Investigation report dated 14.08.2025 issued by Deputy Commissioner of Customs (SIIB), Mundra Customs House and other records of the case. I find that representative of Importer M/s VPCG Exim Private Limited vide letter dated 21.07.2025 has requested for waiver of issuance of Show Cause Notice and personal hearing. Hence, I proceed to decide the case on the basis of the documentary evidences available on records. The main issues before me in this case are to be decided as mentioned below:

- a) Whether the declared CTH 57050031 is liable to be rejected and required to be redetermined as 57033990 as discussed in paras supra.
- b) Whether the declared assessable value of Rs. 12,47,180/- (Rs. Twelve Lacs Forty-Seven Thousand One Hundred Eighty) is liable to be rejected and the same is liable to be redetermined as Rs. 19,10,204 (Rs. Nineteen Lacs Ten Thousand Two Hundred Four) under Rule 5 of CVR, 2007.
- c) Whether the declared Country of Origin Malaysia is liable to be rejected and the same is liable to be redetermined as IRAN
- d) Whether the Bill of Entry no. 2826160 dated 23.06.2025 is liable to be reassessed accordingly under Section 17(4) of the Customs Act, 1962.
- e) Whether goods imported vide impugned Bill of Entry no. 2826160 dated 23.06.2025 by way of mis classification are liable for confiscation under Section 111(m) of the Customs Act, 1962.
- f) Whether the importer M/s VPCG Exim Private Limited (IEC 0316900508) is liable for Penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962.

21.2 I find that M/s VPCG Exim Private Limited had filed Bill of Entry 2826160 dated 23.06.2025 for import of the following declared goods:

B/E No. & date	Bill of Lading No. & Date Container No.	Declared Goods	Declared d HSN Code	Declared d Quantit y (Net Weight)	Declared Unit Price	Declared Assessabl e Value (in Rs.)	Declared d Duty (in Rs.)
282616	DXB511027	ARI Floor	570500	6183.89	2.3	12,47,180	4,56,96

0 dated 23.06.2 025	MUN dated 14.06.2025	Covering (10-15% Jute) SEKU6548 628	31	SQM	USD/SQ M	/-	7/-
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21.3 I find that the goods covered under B/E No. 2826160 dated 23.06.2025 was put on hold for SIIB examination purpose. The examination of the goods was carried out at All Cargo Terminal Limited CFS, Mundra on 05.07.2025 in the presence of Shri Sunil Kumar Mishra, director of Ms/ VPCG Exim Private Limited and Shri Ashok Kumar Giri, Deputy Manager, Operation of M/s All Cargo Terminals Limited CFS. The seal placed on the container was checked/verified and found intact and tally with the number mentioned in the Bill of lading. I find that before beginning the examination, the weighment slip of the containers generated at CFS weighbridge are cross checked. The weight mentioned on the slips as well as Bills of Lading are as under:-

Sr. No.	Bill Entry & Date	Container No.	B/L Weight (Kgs.)	CFS Weight (Kgs.)	Difference
1	2826160 dated 23.06.202 5	SEKU654862 8	15870	15880	10

21.4 I find that during examination, it was revealed that goods which were in rolls form having different size and colours, appears similar. Further, a sticker was pasted on each rolls wherein quality, density, design, colour code and size were mentioned. Further, in most of rolls, a big sticker was also pasted wherein "Makran Collection made in IRAN, design, colour and size" was mentioned on rolls.

21.5 I find that during examination goods were found as floor covering. However, the actual nature, description, and composition of the goods i.e. floor coverings cannot be ascertained visually. Therefore, to accurately determine the relevant characteristics i.e. description, composition, GSM etc., in respect of goods mentioned above, 01 representative sample were drawn and same were forwarded to CRCL, Kandla for testing purpose vide Test Memo No. 103/2025-26 dated 08.07.2025. The test report in respect of Test Memo No. 103/2025-26 were received on 16.07.2025 which is as under: -

"The sample as received is in the form of an irregular cut piece of readymade textile article (Floor Covering). It is made of two-layer base woven fabric made of

polypropylene, vegetable fibre (Jute) and blended spun yarn of polyester and cotton tufted with assorted colour yarns made of polypropylene (Cut Piles) on other side. GSM (as such) = 2218.18, Total polypropylene = 68.28%, Vegetable Fibre (Jute) = 12.69%, Polyester = 8.2%, Cotton Yarns = 7.4%, Adhesive = Balance"

21.6 I find that test reports were subsequently conveyed to the importer by this office on 19.07.2025 on their email id vpcgexim@gmail.com for perusal and acceptance purpose. Importer vide email dated 21.07.2025 accepted the test report and further requested to decide the matter on merit basis. I find that as per the test report received from the CRCL, Kandla, the goods were found to be tufted, hence, it is evident that it merit classification under CTH 5703. The CTH 5703 reads as under :-

5703	Carpets and other textile floor coverings (including turf), tufted, whether or not made up
570310	<ul style="list-style-type: none"> - Of wool or fine animal hair: - Of nylon or other polyamides: - Of other man-made textile material
57033100	-- Turf
570339	-- Other
57033910	--- Carpets, carpeting and rugs
57033990	--- Others

As per test report, Polypropylene is 68.28% and polypropylene is man-made textile material, hence, prima facie, appears to rightly classifiable under 57033990 as there is 3rd triple dash (---) level entry under 2nd double dash level entry under single dash level entry of other man-made textile material.

21.7. I find that CTH 5703390 attracts BCD @ 20% or Rs. 55 per sq. mtr., whichever is higher + IGST @ 12% instead of declared CTH 57050031 wherein applicable duty is @ 36.640% (BCD @ 20%+SWS@2%+IGST@12%).

21.8 I find that during Examination, goods were found mis declaration in terms of CTH, Country of Origin etc. Hence, value declared by importer does not appear to be true transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the Customs Valuation (determination of Value of Imported Goods) Rules, 2007 and thus the same appear liable to be rejected in terms of Rule 12 of CVR, 2007. The value is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of CVR, 2007. Since, data of data of import of identical goods i.e. brand name, supplier name etc. is not available, hence, value of the goods cannot be determined using Rule 4. Subsequently Rule 5 of Customs Valuation Rules 2007 is to be applied to arrive at the correct value of

the subject consignment. As per Rule 5 of Customs Valuation Rules, 2007, 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. As per contemporary data available for similar item, it is noticed that importer has imported similar type of goods at unit price of 308.90 Per square Meter (Reference B/E No. 9449593 dated 12.04.2025). Accordingly, the same has been taken as reference for redetermination of valuation of goods imported vide B/E No. 2826160 dated 23.06.2025. The redetermined assessable value is as under: -

(Exchange unit price 1USD = Rs. 87.65)

B/E No. & Date	Goods Description	Qty. Found	Redetermined Unit price	Redetermined Assessable Value	Declared Assessable Value	Difference
2826160 dated 23.06.2025	ARI Floor Covering	6183.89 SQM	Rs. 308.90 / M ²	19,10,204	12,47,180	6,63,024

21.9 I find that in view of the above redetermined assessable value and change in CTH, duty leviable on goods imported vide B/E No. 2826160 dated 23.06.2025 under CTH 57033990 is being re calculated which is as under :-

(Exchange Rate :- 1 USD = Rs. 87.65)

B/E No.	Redetermined CTH	Qty.	Total Redetermined Assessable Value in Rs.	BCD @ 20%	IGST @ 2%	Total Redetermined Duty	Duty declared by importer	Difference
2826160 dated 23.06.2025 5	5703 3990	618 3.89 SQ M.	19,10, 204	382041	275 069	65711 0	45696 7	200143

21.10 I find that statement of Shri Sunil Kumar Mishra, director of M/s VPCG Exim Private Limited was recorded on 05.08.2025 wherein he interalia stated that they filed B/E No. 2826160 dated 23.06.2025 under self. They did not hire any CB for clearance purpose. they clear goods under self. He completely agrees with test report dated 16.07.2025. further, He also agree with redetermined CTH 57033990. Based on 10-15% Jute composition in these impugned goods, they filed B/E under CTH 57050031. They ordered goods from supplier M/s ACE Paradise Trade SDN BHD, Malaysia and goods were loaded from Malaysia. W.r.t. marking of IRAN, it came to notice to them also at the time of examination. They do not know from where supplier procured goods. They sent payment to Malaysia based supplier. In proof of same, He submitted copy of remittance copy. They do not want any Show Cause Notice or Personal Hearing in the matter and requests for waiver of the same. Further, it is requested to decide the matter on merits at the earliest please.

21.11. In view of the above, I find that importer M/s VPCG Exim Private Limited had filed Bill of Entry 2826160 dated 23.06.2025 for import of "ARI Floor Covering (10-15% Jute)" under CTH 57050031. Upon investigation, it was noticed that the items under import were mis-declared in term of value and also mis-classified as the representative samples drawn have tested and found to be "**tufted**" which are appropriately classifiable under CTH: 57033990. Further, 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) was be rejected in terms of Rule 5 of the Rules, *ibid* and was re-determined to **Rs. 19,10,204/-** in terms of Rule 9 of CVR, 2007 instead of declared value of **Rs. 12,47,180/-**. Thus, by way of mis-declaration of the items under import, in terms of quantity as well as descriptions of the goods & also by way of mis-classification, short levy of the Customs duty to the tune of **Rs. 2,00,143/-**. Further, I find that by the act of omission and commission on the part of M/s VPCG Exim Private Limited, they have violated the provisions of Section 46 (4A) which stipulates that while presenting the Bill of Entry Importer have to ensure the accuracy and completeness of the information and authenticity and validity of any document supporting it. **Section 17 (1) & Section 2 (2) of the Customs Act, 1962 read with CBIC Circular No. 17/2011- Customs dated 08.04.2011**, cast a heightened responsibility and onus on the importer to determine duty, classification etc. by way of self-assessment. The importer, at the time of self-assessment, is required to ensure that he declared the correct classification, country of origin, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of Entry. By violating the provisions of Section 46(4) and Section 17 of the Customs Act, 1962 and by mis-declaring the classification and valuation of declared items, the Importer has led the goods of re-determined value **Rs. 19,10,204/-** rendered for confiscation under Section 111(m) of the Customs Act, 1962. Further, Importer have rendered themselves liable for penalty under section 112(a) (ii) of the

Customs Act, 1962 which stipulates that any person who, in relation to any dutiable goods, does or omits to do any act which act or omission would render such goods liable to confiscation under Section 111 or abets the doing or omission of such an act will be liable for penalty for improper importation of goods. Further, Importer has not presented correct facts at the time of filing B/E. The importer has presented false and incorrect documents before the Customs Department for import of the subject consignment by mis-declaring the quantity, valuation and classification of declared items. Thus, Importer has knowingly and intentionally used Bill of Lading, invoices and packing list while filing Bill of Entry, these documents contain incorrect or false material particulars regarding the valuation and description of the goods imported by them. Accordingly, the importer has rendered themselves liable for penalty under Section 114AA of the Customs Act, 1962 which stipulates that if a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or documents which is false or incorrect in any material particular in the transaction of any businesses for the purpose of this Act would be liable for penalty.

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

ORDER

22.1 I hold that declared CTH 57050031 is liable to rejected and required to re-determined as 57033990 as discussed in **para 21.6**.

22.2 I hold that the declared value, i.e. **Rs. 12,47,180/-** (*Rupees Twelve Lakh Forty-Seven Thousand One Hundred and Eighty Only*) of the consignment covered under Bill of Entry No. 2826160 dated 23.06.2025 is liable to be rejected under Rule 12 of the CVR, 2007 and required to be re-determined at **Rs. 19,10,204/-** (*Rupees Nineteen Lakh Ten Thousand Two Hundred and Four Only*) under Rule 5 of the CVR, 2007.

22.3 I hold that these mis-declared goods of re-determined value **Rs. 19,10,204/-** (*Rupees Nineteen Lakh Ten Thousand Two Hundred and Four Only*) imported vide Bill of Entry No. 2826160 dated 23.06.2025 is liable for confiscation under Section 111(m) of the Customs Act, 1962. However, I give an option to redeem the goods on payment of fine of **Rs. 2,00,000/-** (*Rupees Two Lakh Only*) as per Section 125 of the Customs Act, 1962.

22.4 I order to re-assess the Bill of Entry No. 2826160 dated 23.06.2025 accordingly under Section 17(4) of the Customs Act, 1962 with total consequential duty of **Rs. 6,57,110/-** (*Rupees Six Lakh Fifty-Seven Thousand One Hundred and Ten Only*) and differential duty of **Rs. 2,00,143/-** (*Rupees Two Lakh One Hundred and Forty-Three Only*).

22.5. I impose penalty of **Rs. 20,000/-** (*Rupees Twenty Thousand Only*) on M/s VPCG Exim Private Limited under Section 112 (a) (ii) of the Customs Act, 1962

22.6 I impose penalty of **Rs. 50,000/-** (*Rupees Fifty Thousand Only*) on M/s VPCG Exim Private Limited under Section 114AA of the Customs Act, 1962.

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

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

BY Speed Post A.D / E-mail

To, (The Noticee):-

M/s VPCG Exim Private Limited

221, Powai Plaza, Hiranandani Gardens,
Powai, Mumbai, Maharashtra-400076

Copy to:

1. The Addl. Commissioner (SIIB), Customs House, Mundra.
2. The Deputy/Assistant Commissioner, TRC Mundra
3. The Deputy Commissioner, RRA Customs House, Mundra.
4. The Deputy/ Assistant Commissioner (EDI), Custom House, Mundra.
5. Notice Board.
6. Guard File