कार्यालय: प्रधान आयुक्त, सीमाशुल्क, मुन्द्रा,
सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:

CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421.

PHONE: 02838-271426/271163 FAX :02838-271425
E-mail id- group4-mundra@gov.in

A	**FILE NO.** फ़ाइल संख्या	CUS/APR/INV/769/2026-Gr-4-O/o Pr Commr-Cus-Mundra
B	**OIO NO.** आदेश संख्या	**MCH/ZDC/ADC/476/2026-27**
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	06-11-2026
E	**DATE OF ISSUE** जारी करने की तिथि	06-11-2026
F	**SCN No. & Date** कारण बताओ नोटिस क्रमांक	Waived.
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	**M/S. SHREE DIRBA ENTERPRISES (IEC BBKPB7256D), C-21, KASTURI VIHAR CHS, KALYAN SHIL ROAD, NEAR VENKATESH PETROL PUMP, DOMBIVLI (EAST), THANE, MAHARASHTRA-421304**

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

2. यदि कोई व्यक्ति इस आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा128 के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते परअपील कर सकताहै-

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

"सीमाशुल्कआयुक्त) 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. उक्तअपील यहआदेश भेजने की दिनांक से 60दिन 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 ₹ 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 ₹ 5/- (Rupees Five only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

5. अपील ज्ञापन के साथ ड्यूटि /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, 1982और सीमाशुल्क अधिनियम, 1962के 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

1. M/s. Shree Dirba Enterprises (IEC BBKPB7256D), C-21, Kasturi Vihar CHS, Kalyan Shil Road, near Venkatesh Petrol Pump, Dombivli (East), Thane, Maharashtra-421304, (hereinafter referred to as the "importer"), filed Z-Type Bill of Entry No. 3782888 dated 15.09.2026 for goods imported from China and supplied by M/s Tianjin Giant Star Hardware Products Co. Ltd., China, under Invoice No. TGS-280726-G05 dated 28.07.2026 and Bill of Lading No. MEDUXP983364. The goods were carried in containers MSBU2197273 and

MSBU2194464. The importer declared Iron Pneumatic Nails classifiable under CTH 73170019, as detailed below:

TABLE-1

Sr. No.	Declared CTH	Declared description	Quantity (kg)	Declared AV (₹)	Declared duty (₹)
1	73170019	Iron Pneumatic Nails	55,900	29,28,461	9,07,238
	TOTAL		55,900	29,28,461	9,07,238

2. ACTION TAKEN – EXAMINATION FINDINGS

The officers of SIIB, Custom House, Mundra conducted examination of the imported goods under panchnama dated 05.10.2026 at M/s Holistic Global Corporation, APSEZ, Mundra, in the presence of independent Panch witnesses, the warehouse representative and the authorized representative of the Importer. The goods were 100% de-stuffed and segregated item-wise. The examination revealed the following:

TABLE-2

Sr. No.	Description of goods declared	Declared CTH	Declared quantity (kg)	Description of goods found	CTH of goods found	Actual quantity (kg)	Difference / Remarks
1	Iron Pneumatic Nails	73170019	55,900	Iron Nails	73170019	42,081	Shortfall of 13,819 kg against declared nails
2	Not separately declared	—	0	Drywall Screws	73181500	13,695	Undeclared goods found
Total			**55,900**			**55,776**	**Net shortage: 124 kg**

The examination established that 13,695 kg of Drywall Screws, not separately declared in the Bill of Entry, were found in place of part of the declared nails. The aggregate physically found quantity was 55,776 kg against 55,900 kg declared, a net shortfall of 124 kg.

3. RE-DETERMINED DESCRIPTION, CLASSIFICATION AND QUANTITY OF THE GOODS

The importer declared the entire consignment as Iron Pneumatic Nails under CTH 73170019. However, physical examination established that 13,695 kg consisted of Drywall Screws, appropriately considered under CTH 73181500

as recorded in the Investigation Report. The particulars require re-determination as under:

TABLE–3: COMPARATIVE STATEMENT OF DECLARED GOODS AND GOODS ACTUALLY FOUND

Sr. No.	Declared Description of Goods	Declared CTH	Goods Actually Found	Correct CTH	Actual Quantity (kg)
1	Iron Pneumatic Nails	73170019	Iron Nails	73170019	42,081
2	Iron Pneumatic Nails	73170019	Drywall Screws	73181500	13,695
Total Quantity found during examination					**55,776**

4. INVESTIGATIONS CONDUCTED

Based on the physical examination conducted by the officers of SIIB, Custom House, Mundra, under panchnama dated 05.10.2026, the imported goods were found to have discrepancies in description, classification and quantity vis-à-vis the declarations made in the Bill of Entry. Against the declared quantity of 55,900 kg of Iron Pneumatic Nails under CTH 73170019, the examination revealed 42,081 kg of Iron Nails and 13,695 kg of undeclared Drywall Screws, aggregating to 55,776 kg, resulting in a net shortage of 124 kg. The undeclared Drywall Screws, classifiable under CTH 73181500, had a direct bearing upon classification, valuation, assessment of duty and import-policy compliance. In view of these discrepancies, and in order to ascertain the correct assessable value of the imported goods in accordance with Section 14 of the Customs Act, 1962 read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, an independent valuation was obtained from an empanelled Chartered Engineer.

Rejection of Declared Value & Re-determination of Assessable Value:

Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 provides that, subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with Rule 10. Where the value cannot be determined under Rule 3, it is required to be determined sequentially through Rules 4 to 9. In the present case, the material discrepancies in the description, classification and quantity of the imported goods created reasonable doubt regarding the truth and accuracy of the declared value and, therefore, the declared value appeared liable to rejection under Rule 12 of the

CVR, 2007.

For determination of the assessable value, Er. Ajayrajsinh B. Jhala, empanelled Chartered Engineer, inspected the imported goods on 26.10.2026 at M/s Holistic Global Corporation, SEZ Unit, Mundra, and submitted Chartered Engineer Opinion Certificate Ref. No. **ABJ:INSP:CE:MUN:SIIB:HOL:26-27:10 dated 28.10.2026**. The valuation was based on physical and visual examination of the goods, their quality and condition, market enquiries, available documents, manufacturing costs and other relevant parameters. The Chartered Engineer determined the CIF value of Iron Nails at USD 0.550 per kg and Drywall Screws at USD 1.365 per kg. Applying the exchange rate of ₹95.25 per USD, the valuation was reported as under:

TABLE–4

S. No.	Description of Goods	Quantity as per BE (kg)	Quantity Actually Found (kg)	Declared CIF Unit Price (USD/kg)	CE CIF Unit Value (USD/kg)	Value as per BE (₹)	Value as per CE (₹)
1	Iron Nails	55,900	42,081	0.55	0.55	29,28,461	22,04,519
2	Drywall Screws	0	13,695	Not declared	1.365	0	17,80,573
TOTAL		**55,900**	**55,776**	**—**	**—**	**29,28,461**	**39,85,092**

Accordingly, the declared assessable value of **₹29,28,461/-** appeared liable to rejection under Rule 12 of the CVR, 2007, and the assessable value of the imported goods appeared liable to be re-determined as **₹39,85,092/-** under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962, resulting in an enhancement of **₹10,56,631/-**. Further, the importer, vide email dated 29.10.2026, accepted the Chartered Engineer's valuation report and waived issuance of Show Cause Notice and Personal Hearing, requesting that the matter be processed accordingly.

5. IMPORTABILITY AND POLICY COMPLIANCE

The examination revealed 13,695 Kgs of Drywall Screws, classifiable under CTH 73181500, which were not separately declared in the Bill of Entry, as the entire consignment had been declared as Iron Pneumatic Nails under CTH 73170019. As recorded in Investigation Report No. 214/2026-27 dated 30.10.2026, DGFT Notification No. 55/2023 dated 03.01.2024 permits import of specified screws as “Free” where CIF value is ₹129/- or above per Kg, subject to the applicable policy conditions. The Chartered

Engineer determined the CIF value of Drywall Screws at approximately ₹130.02 per Kg, exceeding the MIP threshold. However, the Investigation Report separately records that the importer did not obtain SIMS registration for the undeclared 13,695 Kgs of Drywall Screws. Under DGFT Notification No. 33/2015-2020 dated 28.09.2020 read with Policy Condition No. 2 of Chapter 73 and the applicable SIMS requirements, import of covered goods requires compulsory registration. Subject to verification that no valid regular or SARAL SIMS registration covered these screws at the relevant time, the non-compliance constitutes import contrary to the prescribed policy restriction and attracts Section 111(d) of the Customs Act, 1962, independently of the MIP threshold. The non-declaration and misclassification also attract examination under Sections 111(l) and 111(m).

6. RE-DETERMINATION OF APPLICABLE DUTY

In view of the changed description, classification and assessable value, reassessment is required under Section 17(4) of the Customs Act, 1962. The declared duty was ₹9,07,238/-. Based on the re-determined description, classification, quantity and assessable value, the applicable duty on the imported goods was re-calculated by the investigating authority. The total duty was re-determined at **₹13,50,141/-** as against the declared duty of **₹9,07,238/-** resulting in a differential duty of **₹4,42,903/-**.

TABLE-5

S. No.	Goods	CTH	Quantity (kg)	Re-determined AV (₹)	BCD	SWS	IGST	Total duty (₹)	Total duty (₹)
1	Iron Nails	73170019	42,081	22,04,519	220452	22045	440463	682960	6,82,960
2	Drywall Screws	73181500	13,695	17,80,573	267086	26709	373386	667181	6,67,181
TOTAL			**55,776**	**39,85,092**	**487538**	**48754**	**813849**	**1350141**	**13,50,141**

7. OUTCOME OF THE INVESTIGATION

The investigation conducted by SIIB, Custom House, Mundra, revealed that the consignment imported by **M/s. Shree Dirba Enterprises** under Z-Type Bill of Entry No. **3782888 dated 15.09.2026** contained material discrepancies in description, classification and quantity. Against the declared quantity of 55,900 Kgs of Iron Pneumatic Nails under CTH 73170019, physical examination revealed 42,081 Kgs of Iron Nails and 13,695 Kgs of undeclared Drywall Screws, correctly classifiable under CTH 73181500. The total physical quantity was

55,776 Kgs against the declared quantity of 55,900 Kgs, resulting in a net shortage of 124 Kgs.

Valuation of the Goods: The declared assessable value of **₹29,28,461/-** was proposed to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and the value was re-determined as **₹39,85,092/-** under Rule 9 of the said Rules, on the basis of Chartered Engineer's Opinion Certificate No. ABJ:INSP:CE:MUN:SIIB:HOL:26-27:10 dated 28.10.2026, resulting in an enhancement of **₹10,56,631/-**. Further, the total Customs duty was re-determined at **₹13,50,141/-** against the declared duty of ₹9,07,238/-, resulting in differential duty of **₹4,42,903/-**.

Confiscation of Goods and Penal Action: The 13,695 Kgs of undeclared Drywall Screws, having a re-determined assessable value of ₹17,80,573/-, were considered liable to confiscation under Sections 111(d), 111(l) and 111(m), including for non-compliance with mandatory SIMS registration, Further, the 42,081 Kgs of Iron Nails, having a re-determined assessable value of ₹22,04,519/-, were also considered liable to confiscation under Section 111(m), subject to establishment of the relevant misdeclaration. The total re-determined assessable value of the imported goods works out to ₹39,85,092/-. The importer also appeared liable to penal action under Sections 112 and 114AA of the Customs Act, 1962. The importer, vide email dated 29.10.2026, accepted the Chartered Engineer's valuation report and waived issuance of Show Cause Notice and Personal Hearing.

8. RELEVANT LEGAL PROVISIONS

(A) RELEVANT PROVISIONS OF THE CUSTOMS ACT, 1962

Section 2(22), 2(23), 2(25) and 2(26): Define goods, import, imported goods and importer, respectively, and establish the applicability of the Customs Act, 1962 to the imported consignment.

Section 2(33): Defines prohibited goods as goods whose import or export is subject to prohibition under the Customs Act or any other law, excluding goods in respect of which the conditions permitting import or export have been complied with.

Section 2(39): Defines smuggling as any act or omission rendering goods liable to confiscation under Section 111 or Section 113.

Section 11A: Defines illegal import as import of goods in contravention of the Customs Act or any other law for the time being in force.

Section 17(1) and 17(4): Provide for self-assessment of duty by the importer and reassessment by the proper officer where examination or verification

establishes that the self-assessment was incorrect.

Section 46(4) and 46(4A): Require the importer to make a truthful declaration in the Bill of Entry and ensure the accuracy and completeness of information, authenticity of supporting documents and compliance with applicable import restrictions.

Section 111(d): Provides for confiscation of goods imported contrary to any prohibition imposed under the Customs Act or any other law for the time being in force.

Section 111(l): Provides for confiscation of dutiable or prohibited goods not included in, or in excess of, the particulars declared in the Bill of Entry. This provision is relevant to the 13,695 Kgs of Drywall Screws not separately declared by the importer.

Section 111(m): Provides for confiscation of goods which do not correspond in respect of value or any other particular with the declaration made in the Bill of Entry. This provision is relevant to the discrepancies in description, classification, quantity and assessable value detected during examination.

Section 112: Provides for imposition of penalty upon persons whose acts or omissions render imported goods liable to confiscation under Section 111, subject to the applicable statutory conditions.

Section 114AA: Provides for penalty where a person knowingly or intentionally makes, signs or uses any declaration, statement or document which is false or incorrect in any material particular in Customs proceedings.

Section 125: Provides for the option of payment of redemption fine in lieu of confiscation, subject to the conditions prescribed therein.

(B) RELEVANT PROVISIONS OF THE CUSTOMS VALUATION (DETERMINATION OF VALUE OF IMPORTED GOODS) RULES, 2007

Rule 3 – Determination of Value: Provides that the value of imported goods shall ordinarily be the transaction value, subject to Rule 12 and adjustments under Rule 10. Where the transaction value cannot be accepted, valuation shall proceed sequentially under the prescribed rules.

Rule 4 – Transaction Value of Identical Goods: Provides for determination of value on the basis of contemporaneous imports of identical goods, subject to the prescribed conditions.

Rule 5 – Transaction Value of Similar Goods: Provides for determination of

value on the basis of contemporaneous imports of similar goods where valuation under the preceding rules is not possible.

Rule 7 – Deductive Value: Provides for determination of value with reference to the selling price of imported, identical or similar goods in India, after permissible deductions.

Rule 8 – Computed Value: Provides for determination of value on the basis of production cost, fabrication, profit, general expenses and other prescribed elements.

Rule 9 – Residual Method: Provides for determination of assessable value by reasonable means consistent with the principles and general provisions of the Valuation Rules, on the basis of data available in India, where value cannot be determined under the preceding rules.

Rule 12 – Rejection of Declared Value: Empowers the proper officer to seek further information where reasonable doubt exists regarding the truth or accuracy of the declared value and, where such doubt persists, to reject the declared transaction value in accordance with the prescribed procedure.

9. WAIVER OF NOTICE AND PERSONAL HEARING

9. The importer, vide email dated 29.10.2026, stated: "C E REPORT ACCEPTED, NO SHOWCASE AND NO P H PLS PROCESS ACCORDINGLY." The communication constitutes acceptance of the CE report and a request to waive the show cause notice and personal hearing.

10. In view of the above facts, it appeared that: -

(i) The declared description, classification, quantity and value of the goods in Z-Type Bill of Entry No. **3782888 dated 15.09.2026**, filed by **M/s. Shree Dirba Enterprises**, are liable to be rejected/re-determined to the extent of the discrepancies found during physical examination;

(ii) The declared assessable value of **₹29,28,461/-** is liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determined as **₹39,85,092/-** under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962, as detailed in Table-4 above, resulting in an enhancement of **₹10,56,631/-**;

(iii) Against the declared quantity of **55,900 Kgs of Iron Pneumatic Nails** under CTH 73170019, physical examination revealed **42,081 Kgs of Iron Nails** and **13,695 Kgs of undeclared Drywall Screws**, aggregating to 55,776 Kgs, resulting in a net shortage of 124 Kgs. Consequently, the goods were found to differ from the declaration in respect of description, classification, quantity and value;

(iv) The 13,695 Kgs of Drywall Screws, correctly classifiable under CTH 73181500, having a re-determined assessable value of ₹17,80,573/-, were not separately declared in the Bill of Entry and were misdeclared as Iron Pneumatic Nails under CTH 73170019. Accordingly, the said goods appeared liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962. Further, their importability was required to be examined in terms of DGFT Notification No. 55/2023 dated 03.01.2024, prescribing a Minimum Import Price of ₹129/- per Kg. The Chartered Engineer determined their CIF value at approximately ₹130.02 per Kg, which exceeded the prescribed MIP; Further, as recorded in the Investigation Report, no SIMS registration was obtained for the undeclared Drywall Screws. They also appeared liable to confiscation under Section 111(d) for contravention of mandatory SIMS requirements under Policy Condition No. 2 of Chapter 73 read with DGFT Notification No. 33/2015-2020 dated 28.09.2020.

(v) The **42,081 Kgs of Iron Nails**, correctly classifiable under CTH **73170019**, having a re-determined assessable value of **₹22,04,519/-**, were found against the declared quantity of 55,900 Kgs of Iron Pneumatic Nails. In view of the discrepancies in the description, quantity and value of the consignment, the applicability of Section **111(m)** of the Customs Act, 1962 to the said goods was required to be examined;

(vi) Based on the re-determined description, classification, quantity and assessable value, the total Customs duty was re-determined at **₹13,50,141/-** against the declared duty of **₹9,07,238/-**, resulting in a **differential duty of ₹4,42,903/-**, recoverable upon reassessment under Section 17(4) of the Customs Act, 1962; and

(vii) The importer appeared liable to penal action under Sections **112 and 114AA** of the Customs Act, 1962.

11. WAIVER OF SHOW CAUSE NOTICE AND PERSONAL HEARING

The importer, M/s. Shree Dirba Enterprises, vide email dated 29.10.2026, accepted the valuation suggested in Chartered Engineer's Opinion Certificate No. ABJ:INSP:CE:MUN:SIIB:HOL:26-27:10 dated 28.10.2026 and

requested waiver of Show Cause Notice and Personal Hearing in respect of the subject Bill of Entry No. 3782888 dated 15.09.2026. In view of the express waiver, the matter is taken up for adjudication on the basis of the documentary evidence available on record.

12. DISCUSSION AND FINDINGS

I have carefully gone through the records of the case and Investigation Report No. 214/2026-27 dated 30.10.2026. I note that the importer, M/s. Shree Dirba Enterprises, vide email dated 29.10.2026, has accepted the value suggested by the Chartered Engineer in Opinion Certificate dated 28.10.2026 and has requested waiver of Show Cause Notice and Personal Hearing. Thus, I find that the requirements of natural justice under Section 122A of the Customs Act, 1962 have been complied with, and I proceed to decide the case on the basis of the documentary evidence available on record. The main issues to be decided are:

(i) First issue:- Whether the description, classification and quantity of the impugned goods covered under Z-Type Bill of Entry No. 3782888 dated 15.09.2026 need to be amended as per the physical examination findings, wherein 42,081 Kgs of Iron Nails and 13,695 Kgs of Drywall Screws were found against the declared quantity of 55,900 Kgs of Iron Pneumatic Nails;

(ii) Second issue:- Whether the declared assessable value of ₹29,28,461/- is liable to be rejected under Rule 12 of CVR, 2007 and re-determined as ₹39,85,092/- under Rule 9 of CVR, 2007;

(iii) Third issue:- Whether 13,695 Kgs of undeclared Drywall Screws, classifiable under CTH 73181500 and valued at ₹17,80,573/-, are liable to confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962;

(iv) Fourth issue:- Whether the 13,695 Kgs of Drywall Screws are compliant with the import-policy conditions prescribed under DGFT Notification No. 55/2023 dated 03.01.2024, particularly the Minimum Import Price of ₹129/- per Kg and compulsory SIMS registration, and whether non-compliance with SIMS renders the said goods liable to confiscation under Section 111(d) of the Customs Act, 1962;

(v) Fifth issue:- Whether the 42,081 Kgs of Iron Nails, having a re-determined assessable value of ₹22,04,519/-, are liable to confiscation under Section 111(m) of the Customs Act, 1962 on account of discrepancies in the declared description, quantity and value;

(vi) Sixth issue:- Whether the subject Bill of Entry requires re-assessment under Section 17(4) of the Customs Act, 1962 and whether differential duty of ₹4,42,903/- is payable; and

(vii) Seventh issue:- Whether penalties under Sections 112 and 114AA of the Customs Act, 1962 are imposable upon M/s. Shree Dirba Enterprises.

13. FIRST ISSUE — DESCRIPTION, CLASSIFICATION AND QUANTITY OF GOODS

13.1 Regarding the first issue, I find that the consignment covered under Z-Type Bill of Entry No. 3782888 dated 15.09.2026 was subjected to 100% examination by the officers of SIIB, Custom House, Mundra, under panchnama dated 05.10.2026. Against the declared quantity of 55,900 Kgs of Iron Pneumatic Nails under CTH 73170019, physical examination revealed 42,081 Kgs of Iron Nails and 13,695 Kgs of Drywall Screws. Thus, the actual quantity of goods was 55,776 Kgs against the declared quantity of 55,900 Kgs, resulting in a net shortage of 124 Kgs.

13.2 I further find that the Drywall Screws are appropriately classifiable under CTH 73181500, whereas the entire consignment had been declared as Iron Pneumatic Nails under CTH 73170019. The 13,695 Kgs of Drywall Screws were not separately declared in the Bill of Entry. The discrepancies are material and have a direct bearing upon classification, valuation, import-policy compliance and assessment of duty.

13.3 In terms of Section 46 of the Customs Act, 1962, the importer is required to make a true, correct and complete declaration and ensure the accuracy and completeness of the information furnished. I therefore hold that the description, classification and quantity particulars of the impugned goods were not correctly declared and are liable to be amended in accordance with the physical examination findings.

14. SECOND ISSUE — REJECTION AND RE-DETERMINATION OF ASSESSABLE VALUE

14.1 Regarding the second issue, I find that the mis-declaration in respect of description, classification and quantity creates reasonable and justifiable doubt regarding the truth and accuracy of the declared transaction value. The nature, description and quantity of the goods are fundamental elements for determination of assessable value.

14.2 The declared assessable value was ₹29,28,461/-, whereas the Chartered

Engineer assessed the CIF value of the goods actually found at ₹39,85,092/-. The difference of ₹10,56,631/-, read with the physical discrepancies recorded during examination, provides sufficient basis to doubt the truth and accuracy of the declared value.

14.3 In terms of Rule 12 of the CVR, 2007, where the proper officer has reason to doubt the truth or accuracy of the declared value, the transaction value may be rejected after due consideration of the material on record. I find that the discrepancies noticed during examination justify rejection of the declared value.

14.4 Once the declared value is rejected, the value is required to be determined sequentially under Rules 4 to 9 of the CVR, 2007. The Chartered Engineer's valuation report records consideration of the physical condition of the goods, available documents, market enquiries, manufacturing costs and previously assessed Customs data.

14.5 Accordingly, subject to the above requirement, I find that the valuation suggested by the Chartered Engineer is required to be considered for re-determination under Rule 9. Er. Ajayrajsinh B. Jhala, empanelled Chartered Engineer, inspected the goods on 26.10.2026 and, vide Opinion Certificate Ref. No. ABJ:INSP:CE:MUN:SIIB:HOL:26-27:10 dated 28.10.2026, assessed the total CIF value at USD 41,838.225, equivalent to ₹39,85,092/- at the applicable exchange rate of ₹95.25 per USD.

14.6 I also note that the Chartered Engineer's valuation was accepted by the importer vide email dated 29.10.2026, wherein the importer requested waiver of Show Cause Notice and Personal Hearing.

14.7 Therefore, having considered the discrepancies established during examination, the Chartered Engineer's valuation and the acceptance thereof by the importer, I hold that the declared assessable value of ₹29,28,461/- is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined as ₹39,85,092/- under Rule 9 thereof read with Section 14 of the Customs Act, 1962.

15. THIRD ISSUE — CONFISCATION OF UNDECLARED DRYWALL SCREWS

15.1 Regarding the third issue, I have examined the declaration in Z-Type Bill of Entry No. 3782888 dated 15.09.2026, the physical examination findings and the re-determined valuation. The importer declared the entire quantity of 55,900 Kgs as Iron Pneumatic Nails under CTH 73170019. However, examination revealed 13,695 Kgs of Drywall Screws, correctly classifiable under CTH 73181500, which were not separately declared in the Bill of Entry.

15.2 I find that the Drywall Screws constitute a distinct category of goods having a separate tariff classification from Iron Nails. The goods were incorrectly included within the declaration of Iron Pneumatic Nails, thereby resulting in misdeclaration of description and classification. The Chartered Engineer determined the assessable value of the said 13,695 Kgs of Drywall Screws at ₹17,80,573/-.

15.3 In terms of Section 46 of the Customs Act, 1962, the importer is required to declare complete and accurate particulars of the imported goods. The failure to separately declare the Drywall Screws under their correct description and classification constitutes a material discrepancy between the Bill of Entry and the goods actually imported.

15.4 Section 111(l) of the Customs Act, 1962 provides for confiscation of dutiable or prohibited goods not included in the entry made under the Act, while Section 111(m) provides for confiscation of goods which do not correspond in respect of value or any other particular with the entry. Since the 13,695 Kgs of Drywall Screws were not declared under their correct description and classification, I hold that the said goods, having a re-determined assessable value of ₹17,80,573/-, are liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962. I further find that the Investigation Report records absence of SIMS registration for these undeclared screws. For the reasons discussed under the fourth issue in upcoming paras, the said goods are also liable to confiscation under Section 111(d) for contravention of the compulsory SIMS requirement.

16. FOURTH ISSUE — IMPORT-POLICY COMPLIANCE OF DRYWALL SCREWS

16.1 Regarding the fourth issue, I find that the 13,695 Kgs of Drywall Screws, classifiable under CTH 73181500, are governed by the import-policy conditions prescribed under DGFT Notification No. 55/2023 dated 03.01.2024. The said notification provides that import of specified screws is prohibited unless their CIF value is ₹129/- or above per Kg, subject to compliance with other applicable policy conditions.

16.2 I find that the importer declared the entire consignment as Iron Pneumatic Nails at a CIF unit value of USD 0.550 per Kg, equivalent to approximately ₹52.39 per Kg. However, the Chartered Engineer determined the CIF value of Drywall Screws at USD 1.365 per Kg, equivalent to approximately ₹130.02 per Kg, with a total assessable value of ₹17,80,573/-.

16.3 I observe that the re-determined CIF value of ₹130.02 per Kg exceeds the prescribed Minimum Import Price of ₹129/- per Kg. Therefore, on the basis of the Chartered Engineer's valuation, the goods satisfy the prescribed MIP

threshold.

16.4 Section 111(d) of the Customs Act, 1962 provides for confiscation of goods imported contrary to any prohibition imposed under the Act or any other law for the time being in force. Although the re-determined CIF value of ₹130.02 per Kg exceeds the MIP of ₹129/- per Kg and confiscation under Section 111(d) cannot be sustained solely on MIP non-compliance, SIMS is an independent mandatory import-policy condition. Under Policy Condition No. 2 of Chapter 73 read with DGFT Notification No. 33/2015-2020 dated 28.09.2020, the import of covered screws requires SIMS registration. The SIIB Investigation Report No. 214/2026-27 dated 30.10.2026 specifically records that the importer did not obtain SIMS registration for the undeclared 13,695 Kgs of Drywall Screws. In the absence of any valid regular or SARAL SIMS registration covering these screws at the relevant time, I find that the goods were imported in contravention of the compulsory registration condition and are liable to confiscation under Section 111(d) of the Customs Act, 1962, independently of their compliance with the MIP threshold.

17. FIFTH ISSUE — CONFISCATION OF IRON NAILS

17.1 Regarding the fifth issue, I find that the importer declared 55,900 Kgs of Iron Pneumatic Nails under CTH 73170019, whereas examination established that only 42,081 Kgs of Iron Nails were actually found. The remaining goods comprised 13,695 Kgs of Drywall Screws, resulting in a net shortage of 124 Kgs in the overall consignment.

17.2 I further find that the Chartered Engineer determined the assessable value of the 42,081 Kgs of Iron Nails at ₹22,04,519/-. The quantity actually found is substantially lower than the quantity declared as Iron Pneumatic Nails, and the declaration therefore does not correspond with the physical examination findings.

17.3 Section 111(m) of the Customs Act, 1962 provides for confiscation where imported goods do not correspond in respect of value or any other particular with the entry made under the Act. In the present case, the declaration of 55,900 Kgs of Iron Pneumatic Nails does not correspond with the actual quantity of 42,081 Kgs of Iron Nails, and the difference is attributable substantially to the presence of undeclared Drywall Screws.

17.4 I therefore hold that the 42,081 Kgs of Iron Nails, having a re-determined assessable value of ₹22,04,519/-, are liable to confiscation under Section 111(m) of the Customs Act, 1962 on account of the material discrepancy between the declared particulars and the goods actually found.

18. SIXTH ISSUE — REASSESSMENT AND DIFFERENTIAL DUTY

18.1 Regarding the sixth issue, I find that the importer filed the subject Bill of Entry under self-assessment in terms of Section 17(1) of the Customs Act, 1962. Examination and investigation established that the goods were not correctly declared in respect of description, classification and quantity, resulting in incorrect self-assessment.

18.2 In terms of Section 17(4), where it is found upon verification, examination or otherwise that self-assessment has not been done correctly, the proper officer may re-assess the duty leviable on such goods. Accordingly, the subject Bill of Entry is liable to be re-assessed on the basis of the correct description, classification, quantity and re-determined assessable value.

18.3 I find that the total Customs duty on the goods actually found was re-determined at ₹13,50,141/- against the declared duty of ₹9,07,238/-. The re-determined duty comprises ₹6,82,960/- on 42,081 Kgs of Iron Nails and ₹6,67,181/- on 13,695 Kgs of Drywall Screws. Accordingly, the differential duty works out to ₹4,42,903/-.

18.4 Accordingly, I hold that the subject Bill of Entry is liable to be re-assessed under Section 17(4) of the Customs Act, 1962 and differential duty of ₹4,42,903/- is payable by the importer.

19. SEVENTH ISSUE — IMPOSITION OF PENALTY

19.1 Regarding the seventh issue, I find that the importer, by filing a Bill of Entry which did not correctly declare the description, classification and quantity of the imported goods, committed acts and omissions which rendered the offending goods liable to confiscation under Section 111 of the Customs Act, 1962.

19.2 In terms of Section 112(a)(i) of the Customs Act, 1962, any person whose act or omission renders prohibited goods liable to confiscation under Section 111 is liable to penalty. In the instant case, I find that the importer misdeclared **13,695 Kgs of Drywall Screws, valued at ₹17,80,573/-**, as Iron Pneumatic Nails under CTH 73170019 at a declared CIF value of approximately ₹52.39 per Kg, without disclosing their correct description, classification and value. DGFT Notification No. 55/2023 dated 03.01.2024 prescribes a Minimum Import Price (MIP) of ₹129/- per Kg for specified screws. It was only after physical examination and valuation by the Chartered Engineer that the CIF value of the undeclared Drywall Screws was determined at ₹130.02 per Kg, which was subsequently accepted by the importer vide email dated 29.10.2026. Thus, the value satisfying the prescribed MIP was not originally declared but was established during investigation. Although the re-determined value exceeds the MIP, the importer had also failed to obtain mandatory SIMS registration,

thereby contravening the applicable import-policy conditions and rendering the goods liable to confiscation under Section 111(d), besides Sections 111(l) and 111(m), of the Customs Act, 1962. I therefore hold that the said Drywall Screws constitute prohibited goods within the meaning of Section 2(33) of the Act and that the importer's acts and omissions attract **penalty under Section 112(a)(i) of the Customs Act, 1962**, commensurate with the gravity of the contravention and within the prescribed statutory limit.

19.3 I further find that 42,081 Kgs of Iron Nails, valued at ₹22,04,519/-, have been held liable to confiscation under Section 111(m), but have not been held to be prohibited goods. Accordingly, the importer's acts and omissions in relation to these dutiable goods other than prohibited goods attract consideration of penalty under Section 112(a)(ii).

19.4 Further, the importer filed and used the Bill of Entry containing incorrect material particulars in respect of description and quantity. Section 114AA provides for penalty where 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 for the purposes of the Customs Act. Having regard to the material discrepancies established on examination and the incorrect particulars used for clearance/warehousing of the goods, the importer is liable to penalty under Section 114AA, subject to the requisite finding as to knowledge or intention.

19.5 I note that the importer accepted the Chartered Engineer's valuation vide email dated 29.10.2026 and waived Show Cause Notice and Personal Hearing.

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

ORDER

(i) I order that the description, classification and quantity particulars of the impugned goods covered under Z-Type Bill of Entry No. **3782888 dated 15.09.2026**, filed by M/s. Shree Dirba Enterprises, be amended/re-determined in accordance with the physical examination findings;

(ii) I reject the declared assessable value of **₹29,28,461/-** under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine the assessable value as **₹39,85,092/- (Rupees Thirty-Nine Lakh Eighty-Five Thousand and Ninety-Two only)** under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962;

(iii) I order confiscation of **13,695 Kgs of undeclared Drywall Screws**, classifiable under

CTH 73181500, having a re-determined assessable value of **₹17,80,573/- (Rupees Seventeen Lakh Eighty Thousand Five Hundred and Seventy-Three only)**, under **Sections 111(d), 111(l) and 111(m)** of the Customs Act, 1962. However, I give the importer an option to redeem the said goods for home consumption on payment of redemption fine of ₹ 1,78,000/- (Rupees One Lakh Seventy Eight Thousand only) under Section 125 of the Customs Act, 1962, in addition to applicable Customs duty and other charges, subject to compliance with the applicable import-policy conditions;

(iv) I order confiscation of **42,081 Kgs of Iron Nails**, classifiable under CTH 73170019, having a re-determined assessable value of **₹22,04,519/- (Rupees Twenty-Two Lakh Four Thousand Five Hundred and Nineteen only)**, under Section **111(m)** of the Customs Act, 1962. However, I give the importer an option to redeem the said goods for home consumption on payment of redemption fine of **₹ 2,20,000/- (Rupees Two Lakh Twenty Thousand only)** under Section 125 of the Customs Act, 1962, in addition to applicable duty and other charges. The net shortage of 124 Kgs is not itself ordered to be confiscated;

(v) I reject the self-assessment made under Section 17(1) of the Customs Act, 1962 in respect of Bill of Entry No. 3782888 dated 15.09.2026 and order re-assessment under Section 17(4) of the said Act. The total re-determined Customs duty liability is **₹13,50,141/- (Rupees Thirteen Lakh Fifty Thousand One Hundred and Forty-One only)** against the declared duty of **₹9,07,238/- (Rupees Nine Lakh Seven Thousand Two Hundred and Thirty-Eight only)**, resulting in differential duty of **₹4,42,903/- (Rupees Four Lakh Forty-Two Thousand Nine Hundred and Three only)**;

(vi) I impose penalty of **₹1,00,000/- (Rupees One Lakh only)** on M/s. Shree Dirba Enterprises under Section **112(a)(i)** of the Customs Act, 1962 for acts and omissions rendering the imported goods liable to confiscation under Section 111 of the said Act;

(vii) I impose penalty of **₹ 44,000/- (Rupees Forty Four Thousand only)** on M/s. Shree Dirba Enterprises under Section **112(a)(ii)** of the Customs Act, 1962 for acts and omissions rendering the imported goods liable to confiscation under Section 111 of the said Act;

(viii) I impose penalty of **₹ 25,000/- (Rupees Twenty Five Thousand only)** on M/s. Shree Dirba Enterprises under Section **114AA** of the Customs Act, 1962.

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

Digitally signed by Dipakbhai Zala
Date: 06-11-2026 15:57:56

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

To,
M/s. Shree Dirba Enterprises (IEC BBKPB7256D),
C-21, Kasturi Vihar CHS, Kalyan Shil Road,
Near Venkatesh Petrol Pump, Dombivli (East),
Thane, Maharashtra-421304

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