OFFICE OF THE PRINCIAPAL COMMISSIONER OF CUSTOMS
CUSTOMS HOUSE, MP & SEZ
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सत्यमेव जयते

A	**FILE NO.** फ़ाइल संख्या	CUS/APR/INV/582/2026-Gr 5-6
B	**OIO NO.** आदेश संख्या	MCH/ADC/ZDC/257/2026-27
C	**PASSED BY** जारीकर्ता	Dipak Zala Additional Commissioner of Customs, Customs House, Mundra.
D	**DATE OF ORDER** आदेश की तारीख	21-08-2026
E	**DATE OF ISSUE** जारी करने की तिथि	21-08-2026
F	**SCN No. & Date** कारण बताओ नोटिस क्रमांक	**IMPORTER REQUESTED FOR WAIVER in PH & SCN vide letter dated**
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	**M/s. Samrath Enterprises (IEC: DZZPK0269L)** 3F-CS-88, Third Floor, Ansal Plaza, Sector-1, Vaishali, Ghaziabad, Uttar Pradesh - 201010

The Order – in – Original is granted to concern free of charge.

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

   The Commissioner of Customs (Appeal), MUNDRA,
   Office at 7th floor, Mridul Tower, Behind Times of India,
   Ashram Road Ahmedabad-380009

3. Appeal shall be filed within Sixty days from the date of Communication of this Order.
4. Appeal should be accompanied by a Fee of Rs. 5/- (Rupees Five Only) under Court Fees Act it must be accompanied by (i) copy of the Appeal, (ii) 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. Proof of payment of duty / interest / fine / penalty / deposit should be attached with the appeal memo.
6. While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respect.

7. 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 or Penalty are in dispute, where penalty alone is in dispute.

BRIEF FACTS OF THE CASE

1. M/s. Samrath Enterprises (IEC: DZZPK0269L), having its registered office at 3F-CS-88, Third Floor, Ansal Plaza, Sector-1, Vaishali, Ghaziabad, Uttar Pradesh - 201010 (hereinafter referred to as 'the importer'), filed Z-Bill of Entry No. 2769352 dated 27.07.2026 at Mundra Port for clearance of a consignment covered by Bill of Lading No. MEDUY4589964 dated 25.06.2026 and container No. TGBU9901690. The cargo was lying at M/s. OWS Warehouse Services LLP, APSEZ, Mundra, Kachchh.

2. On receipt of specific intelligence, the consignment was placed on hold. Officers of the Special Intelligence and Investigation Branch (SIIB), Customs Mundra, examined the goods on 31.07.2026 in the presence of the importer's authorised representative under panchnama dated 31.07.2026.

3. The goods as self-declared in the Bill of Entry were as follows:

S. No.	Declared CTH	Declared description	Quantity	UQC
1	67029090	Artificial flower	3,840	Kgs
2	84679900	Spiral mixing paddle rod parts of power drill	11,086	Kgs
3	87089900	E-rickshaw parts assembly	7,766	Kgs
4	84671120	Demolition hammer	2,352	Kgs
5	84679900	Power tool accessories	47	Kgs
		Total declared weight	25,091	Kgs

WEIGHMENT AND EXAMINATION

4. The Bill of Lading recorded a cargo weight of 27,000 kg. The weighment slip issued by the SEZ unit recorded 28,450 kg. The container seal was verified with the import documents and found intact. On cutting the seal and completely de-stuffing the container, 1,155 corrugated cartons/boxes were found. Item-wise physical examination recorded the following goods and weights:

S. No.	Goods found on examination	Cartons	Total weight (kg)
1	Artificial flowers of different types/sizes (plastic)	121	4,910.18
2	Spiral mixing paddle rod parts of power drill - Mixer	200	2,890.00
3	Spiral mixing paddle rod parts of power drill - Mixing rod	100	1,258.00
4	Electric pick (demolition hammer)	100	2,339.00
5	Power tool accessories	2	69.88
6	Shock absorber (aluminium)	110	2,300.10
7	Throttle grip (rubber and plastic)	101	2,316.94

8	Steering column (iron)	20	704.50
9	Wiring harness (copper)	1	24.58
10	Handlebar grip (plastic and aluminium)	5	52.60
11	Brake drum (iron)	3	82.89
12	Brake switch (rubber and aluminium)	2	51.26
13	Spare parts (steel)	390	11,454.30
	Total	1,155	28,454.23

5. Thus, although the number of cartons tallied with the declaration, the aggregate declared weight of the five entries was 25,091 kg, whereas examination disclosed 28,454.23 kg, resulting in 3,363.23 kg of goods in excess of the declared quantity. Examination also disclosed thirteen commercially distinct goods as against five broad declared entries.

RE-DETERMINATION OF DESCRIPTION AND CLASSIFICATION

6. The importer has declared 05 items in the said BE. However, during the course of examination, some of the goods found mis-declared in terms of description and quantity. The declared CTH of all the goods needs to be re-determined.

The details of all the goods with Re-determined CTH, Description and quantity as below:

S. No.	Description after examination	Declared CTH	Re-determined CTH	Quantity (kg)
1	Artificial flowers (plastic)	67029090	67021090	4,910.18
2	Mixing paddle - Mixer	84679900	84672900	2,890.00
3	Mixing rod	84679900	82079090	1,258.00
4	Electric demolition hammer	84671120	84672900	2,339.00
5	Power tool accessories	84679900	84672900	69.88
6	Shock absorber	87089900	87088000	2,300.10
7	Throttle grip	87089900	87089900	2,316.94
8	Steering column	87089900	87089400	704.50
9	Wiring harness	87089900	85443000	24.58
10	Handlebar grip	87089900	87089900	52.60
11	Brake drum	87089900	87083000	82.89
12	Brake switch	87089900	85365020	51.26
13	Spare parts (steel)	87089900	87089900	11,454.30

VALUATION OF THE GOODS

7.1 Since the goods were found mis-declared in material particulars of description, quantity and classification, the declared transaction value became doubtful. The investigation recorded that contemporaneous data for identical or similar goods of comparable quality and composition was not available for application of Rules 4 and 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 ('CVR, 2007'). The data required for the deductive and computed value methods under Rules 7 and 8 was also unavailable.

7.2 Shri Anwar Y. Kukad, Chartered Engineer and Government-approved valuer, inspected the impugned goods and furnished Valuation Report Ref. No. AYK:VAL:02994:2026 dated 03.08.2026. Applying the residual method under Rule 9 of the CVR, 2007, wherein, he has reported the value of the cargo as tabulated below:

S. No.	Item	Qty. (kg)	Rate (USD/kg)	CIF (USD)	CIF (Rs.) (1 USD=Rs. 97.20)
1	Artificial flowers (plastic)	4,910.20	0.60	2,946.11	2,86,362
2	Mixing paddle - Mixer	2,890.00	0.90	2,601.00	2,52,817
3	Mixing rod	1,258.00	0.90	1,132.20	1,10,050
4	Electric demolition hammer	2,339.00	2.70	6,315.30	6,13,847
5	Power tool accessories	69.88	2.60	181.69	17,660
6	Shock absorber	2,300.10	1.10	2,530.11	2,45,927
7	Throttle grip	2,316.90	0.45	1,042.62	1,01,343
8	Steering column	704.50	0.70	493.15	47,934
9	Wiring harness	24.58	1.90	46.70	4,539
10	Handlebar grip	52.60	1.00	52.60	5,113
11	Brake drum	82.89	0.70	58.02	5,640
12	Brake switch	51.26	1.10	56.39	5,481
13	Spare parts (steel)	11,454.00	0.80	9,163.44	8,90,686
	Total			26,619.33	25,87,399

7.3 The declared assessable value of Rs. 14,26,317/- was accordingly proposed for rejection under Rule 12 of the CVR, 2007 and re-determination at Rs. 25,87,399/- under Rule 9 ibid. The importer, vide letter dated 19.08.2026, expressly accepted the Chartered Engineer's valuation.

RE-DETERMINATION OF DUTY

8.1 Based on the re-determined classification and value, the investigation computed the applicable BCD, SWS and IGST as follows:

S. No.	Item	CTH	AV (Rs.)	BCD (Rs.)	SWS (Rs.)	IGST (Rs.)	Total duty (Rs.)
1	Artificial flowers	67021090	2,86,362	57,272	5,727	62,885	1,25,884
2	Mixing paddle - Mixer	84672900	2,52,817	18,961	1,896	49,261	70,118
3	Mixing rod	82079090	1,10,050	11,005	1,101	21,988	34,094
4	Electric demolition hammer	84672900	6,13,847	46,039	4,604	1,19,608	1,70,251
5	Power tool accessories	84672900	17,660	1,325	132	3,441	4,898

6	Shock absorber	87088000	2,45,927	36,889	3,689	51,571	92,149
7	Throttle grip	87089900	1,01,343	15,201	1,520	21,252	37,973
8	Steering column	87089400	47,934	7,190	719	10,052	17,961
9	Wiring harness	85443000	4,539	681	68	952	1,701
10	Handlebar grip	87089900	5,113	767	77	1,072	1,916
11	Brake drum	87083000	5,640	846	85	1,183	2,114
12	Brake switch	85365020	5,481	548	55	1,095	1,698
13	Spare parts (steel)	87089900	8,90,686	1,33,603	13,360	1,86,777	3,33,740
	Reconciled total		25,87,399	3,30,327	33,033	5,31,137	8,94,496

8.2 On verification, the duty components in the Investigation Report total Rs. 8,94,496/-. The reconciled total duty is therefore Rs. 8,94,496/- as against the declared duty of Rs. 4,56,474/-, resulting in differential duty of Rs. 4,38,022/-.

IMPORT POLICY AND OUTCOME OF INVESTIGATION

9.1 The Investigation Report records that the goods are freely importable on payment of applicable Customs duty and that the importer furnished its MSME certificate. No separate policy prohibition or restriction has been alleged in the Investigation Report.

9.2 The investigation therefore proposed: (i) rejection and re-determination of the description, quantity and classification; (ii) rejection of the declared assessable value and re-determination at Rs. 25,87,399/-; (iii) reassessment under Section 17(4), with the IR stating total duty of Rs. 8,94,496/- and differential duty of Rs. 4,38,022/-; (iv) confiscation under Sections 111(l) and 111(m); and (v) penalties under Sections 112(a)(ii) and 114AA.

10. RELEVANT LEGAL PROVISIONS

A. Jurisdiction in the Special Economic Zone

2. Definitions.— In this Act, unless the context otherwise requires,—

………..

(o) “**import**” means—

(i) bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise; or

(ii) receiving goods, or services by a Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;

Section 21: Single enforcement officer or agency for notified offences.—

1. *The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
2. *The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.*
3. *Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.*

Section 22: Investigation, inspection, search or seizure.—

The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the investigation, inspection, search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:

Provided that no investigation, inspection, search or seizure shall be carried out in a Special Economic Zone by any agency or officer other than those referred to in sub-section (2) or sub-section (3) of section 21 without prior approval of the Development Commissioner concerned:

Provided further that any officer or agency, if so authorised by the Central Government, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit without prior intimation or approval of the Development Commissioner

Notification Nos. 2665(E) and 2667(E) dated 05.08.2016:

1. *In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government by Notification No. 2667(E) dated 05.08.2016 issued by the Ministry of Commerce & Industry, has authorized the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned. Under Section 21(1) of the SEZ Act, 2005, the Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
2. *The Central Government, by the Notification 2665(E) dated 05.08.2016 has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111, 113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.*

47 (5) *Refund, Demand, Adjudication, Review and Appeal with regard to matters relating to authorise operations under Special Economic Zones Act, 2005, transactions, and goods and services related thereto, shall be made by the Jurisdictional Customs and*

Central Excise Authorities in accordance with the relevant provisions contained in the Customs Act, 1962, Central Excise Act, 1944, and the Finance Act, 1994 and the rules made thereunder or the notifications issued thereunder.

B. 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 17. Assessment of duty. –

(1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

..

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

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:-*

(d) *any goods which are imported or attempted to be imported or are brought* *within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*

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(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 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,-

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

b. who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

shall be liable,-

i. *in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty [not exceeding the value of the goods or five thousand rupees, whichever is the greater;*
ii. *in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:*

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.

C. Customs Valuation Rules, 2007

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

……..

(3) In applying this rule, if more than one transaction value of identical goods is

found, the lowest such value shall be used to determine the value of imported goods.

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

Provided that ……..

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

Rule 7. Deductive value.-

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

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

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

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

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

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

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

Rule 8. Computed value.-

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

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

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

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

Rule 9. Residual method:-

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

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

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

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

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

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

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

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

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

IMPORTER'S SUBMISSIONS AND WAIVER

11.1 The importer, vide letter dated 17.08.2026, accepted the Chartered Engineer's valuation and vide their letter dated 19.08.2026 requested waiver of a formal written show cause notice and personal hearing.

11.2 The request for waiver has been considered. The material grounds consist of the panchnama and examination dated 31.07.2026, the Chartered Engineer's report dated 03.08.2026 and the Investigation Report. The importer was aware of these grounds, accepted the valuation and requested immediate adjudication.

DISCUSSION AND FINDINGS

13. I have carefully gone through the Investigation Report, the panchnama and examination findings, the Chartered Engineer's valuation report, the importer's letter dated 17.08.2026 and 19.08.2026, and the applicable statutory provisions.

Issues for determination

14. The following issues arise for determination:

(i) Whether the self-assessment under Z-Bill of Entry No. 2769352 dated

27.07.2026 is liable to be rejected and the goods re-assessed under Section 17(4) by re-determining their description, quantity and classification as recorded in the examination findings;

(ii) Whether the declared assessable value of Rs. 14,26,317/- is liable to rejection under Rule 12 of the CVR, 2007 and re-determination at Rs. 25,87,399/- under Rule 9 ibid on the basis of the Chartered Engineer's report;

(iii) Whether the total duty is liable to be re-determined at the reconciled amount of Rs. 8,94,496/- and differential duty of Rs. 4,38,022/- is payable before clearance;

(iv) Whether the goods of re-determined value Rs. 25,87,399/- are liable to confiscation under Sections 111(l) and 111(m), and, if so, the quantum of redemption fine under Section 125;

(v) Whether penalties are imposable upon the importer under Sections 112(a)(ii) and 114AA, and, if so, their quantum.

Issue (i): Description, quantity, classification and reassessment

15.1 Regarding the first issue, I find that the consignment covered under Bill of Entry No. 2769352 (Z-Type)) dated 27.07.2026 was examined on the basis of intelligence by SIIB Section, Customs Mundra and the examination revealed significant discrepancies in respect of certain items between the particulars declared in the Bill of Entry and the goods actually found during examination. It is observed that, some of the goods were found not tallying with the declared description, classification, quantity and packing. The Bill of Entry contained five broad entries aggregating to 25,091 kg. Complete de-stuffing disclosed thirteen distinct goods weighing 28,454.23 kg. The excess over the declared item-wise aggregate is 3,363.23 kg. The physical identities included, inter alia, plastic artificial flowers, an electric demolition hammer, mixing implements, specific e-rickshaw components, a wiring harness, a brake drum and a brake switch.

15.2 The proposed tariff headings in the Investigation Report differentiate the plastic artificial flowers under CTH 67021090; the mixer and electric demolition hammer under CTH 84672900; the mixing rod under CTH 82079090; and the vehicle components under their specific headings, namely CTH 87088000, 87089400, 85443000, 87083000 and 85365020 respectively.

15.3 I therefore find that the self-assessment was not correctly made. In exercise of Section 17(4), I reject the declared particulars to the extent discussed and re-determine the description, quantity and classification in accordance with the classification table at paragraph 6 above.

Issue (ii): Rejection and re-determination of value

16.1 Regarding the second issue, I find that the discrepancies noticed during examination, particularly the substantial variation in description, classification, quantity, and weight of the impugned goods, give rise to a reasonable and justifiable doubt regarding the truth and accuracy of the declared transaction value. The declared value can be accepted only where it represents the true transaction value of the goods actually imported and where there is no valid reason to doubt its correctness. The large, multi-item discrepancy in description, classification and quantity provides an objective ground for doubt under Rule 12, including the express ground in its Explanation concerning mis-declaration of description, classification and quantity. The declared value therefore cannot be accepted as a reliable transaction value for the goods actually found.

16.2 The record states that comparable contemporaneous imports for Rules 4 and 5 were unavailable and that the domestic sale/cost data necessary for Rules 7 and 8 was not available. The Chartered Engineer inspected the actual cargo and vide his report Ref. No. AYK:VAL:02994:2026 dated 03.08.2026 provided item-wise unit rates and CIF values.

16.3 In terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, where the proper officer has reason to doubt the truth or accuracy of the declared value, such value becomes liable to rejection. In the present case, I find that the discrepancies noticed during examination clearly justify rejection of the declared value under Rule 12 of the said Rules.

16.4 I further find that once the declared value is rejected under Rule 12, the valuation is required to be determined sequentially under Rules 4 to 9 of the Customs Valuation Rules, 2007. In the present case, the imported goods are assorted items of mixed nature and, in the absence of reliable contemporaneous data of identical or similar goods with matching specifications, valuation under Rules 4 to 8 is not feasible. Therefore, the value has rightly been determined under Rule 9 of the Customs Valuation Rules, 2007 on the basis of reasonable means consistent with the principles and general provisions of the said Rules.

16.5 I also note that the Chartered Engineer's report was shared with the importer and was accepted by them vide email dated 17.08.2026. The importer has further conveyed their willingness to accept the revised valuation and pay the applicable duties, fines and penalties, and has requested that the matter be decided without issuance of Show Cause Notice and without personal hearing. This acceptance by the importer further supports the re-determined value adopted in the present proceedings.

16.6 Therefore, I hold that the declared assessable value of Rs. 14,26,317/- (Rupees Fourteen Lakh Twenty-Six Thousand Three Hundred and Seventeen only) under Rule 12 and re-determine the assessable value at Rs. 25,87,399/- (Rupees Twenty-Five Lakh Eighty-Seven Thousand Three Hundred and Ninety-Nine only) under Rule 9 of the CVR, 2007.

<u>Issue (iii): Re-determination and payment of duty</u>

17.1 Regarding the third issue, I find that the importer had filed the subject Bill of Entry under self-assessment in terms of Section 17(1) of the Customs Act, 1962. However, it has been established through examination and investigation that the goods were not correctly declared in respect of description, classification, quantity and weight and that the declared value was not acceptable. Consequently, the self-assessment made by the importer was not correct.

17.2 In terms of Section 17(4) of the Customs Act, 1962, where it is found on verification, examination or otherwise that the self-assessment has not been done correctly, the proper officer is empowered to re-assess the duty leviable on such goods. Since the goods were mis-declared and undervalued, the subject Bill of Entry is liable to be re-assessed under the said provision

17.3 On the re-determined classification and assessable value, the reconciled total duty works out to Rs. 8,94,496/- (Rupees Eight Lakh Ninety-Four Thousand Four Hundred and Ninety-Seven only), against declared duty of Rs. 4,56,474/-. The differential duty is therefore Rs. 4,38,022/- (Rupees Four Lakh Thirty-Eight Thousand and Twenty-Three only) becomes recoverable from the importer. I find that such short payment of duty is directly attributable to the mis-declaration and undervaluation of the imported goods.

17.4 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 the differential duty of Rs.4,38,022/- (Rupees Four Lakh Thirty-Eight Thousand and Twenty-Three only) is recoverable from the importer under the provisions of the Customs Act, 1962.

Issue (iv): Confiscation

18.1 Regarding the fourth issue, I find that the importer was under a statutory obligation in terms of Section 46 of the Customs Act, 1962 to file a Bill of Entry containing true, correct and complete particulars of the imported goods, including their quantity, weight and value. Further, in terms of Section 17(1) of the Customs Act, 1962, the importer was also required to correctly self-assess the duty leviable on such goods on the basis of such declaration.

18.2 In the present case, I find that the importer failed to discharge the aforesaid statutory obligations. The actual goods exceeded the aggregate declared item quantity by 3,363.23 kg and, to that extent, were in excess of the entry.

18.3 In terms of Section 111(m) of the Customs Act, 1962, any goods which do not correspond in respect of value or in any other particular with the entry made under the Act are liable to confiscation. The discrepancies in description, classification, quantity, weight and value noticed in the present case clearly attract the provisions of Section 111(m) of the Customs Act, 1962.

18.4 Further, in terms of Section 111(l) of the Customs Act, 1962, any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under the Act are liable to confiscation. In the present case, significant discrepancies in respect of certain items between the particulars declared in the Bill of Entry and the goods actually found during examination. It is observed that, some of the goods were found excess to the declared quantities and some of the goods found not declared in the Bill of Entry. Therefore, I hold that the provisions of Section 111(l) of the Customs Act, 1962 are also attracted.

18.5 Therefore, having regard to the discrepancies noticed during examination and the resultant mis-declaration in material particulars, I hold that the impugned goods having re-determined assessable value of Rs. 25,87,399/are liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

Issue (V): Imposition of Penalty

19.1 Regarding the fifth issue of imposition of penalty, I find that the facts of the present case clearly establish that the importer, by mis-declaring the description, classification, quantity, weight and value of the imported goods, has rendered the impugned goods liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962. The discrepancies noticed are substantial and material and cannot be treated as inadvertent or technical in nature.

19.2 In terms of Section 112(a)(ii) of the Customs Act, 1962, any person who, by any act or omission, renders goods liable to confiscation under Section 111 is liable to penalty. Since, in the present case, the goods have been held liable to confiscation under Sections 111(l) and 111(m), the importer squarely falls within the scope of penal liability under Section 112(a)(ii) of the Customs Act, 1962.

19.3 Further, I find that the importer filed and used a Bill of Entry containing incorrect and incomplete particulars in respect of description, classification, quantity, weight and value of the imported goods. In terms of Section 114AA of the Customs Act, 1962, any person knowingly or intentionally making, signing or using any declaration, statement or document which is false or incorrect in any material particular is liable to penalty. In the present case, the substantial discrepancy between the declared particulars and the goods actually found, coupled with the difference between the declared assessable value and the re-determined assessable value, clearly establishes use of incorrect material particulars in the import transaction.

19.4 I also note that the importer has accepted the findings of mis-declaration and valuation and has requested that the matter be decided without issuance of Show Cause Notice and without personal hearing. While such acceptance may be considered a mitigating factor at the stage of quantification of redemption fine and penalty, the same does not absolve the importer of the legal consequences arising from the violations established on record.

ORDER

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

(i) I reject the self-assessment of Z-Bill of Entry No. 2769352 dated 27.07.2026 to the extent of the declared description, quantity, classification, weighment and value, and order reassessment under Section 17(4) in accordance with the item-wise particulars recorded in paragraphs 6, 7, 8 and 10 of this Order;

(ii) I reject the declared assessable value of Rs. 14,26,317/- (Rupees Fourteen Lakh Twenty-Six Thousand Three Hundred and Seventeen only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine it at Rs. 25,87,399/- (Rupees Twenty-Five Lakh Eighty-Seven Thousand Three Hundred and Ninety-Nine only) under Rule 9 ibid;

(iii) I order to re-determine the total duty at the reconciled amount of Rs. 8,94,496/- (Rupees Eight Lakh Ninety-Four Thousand Four Hundred and Ninety-six only) and order the importer to pay differential duty of **Rs. 4,38,022/- (Rupees Four Lakh Thirty-Eight Thousand and Twenty-Two only)** before clearance of the goods;

(iv) I order to confiscate the imported goods covered under Bill of Entry No. 2769352 dated 27.07.2026 (Z Type) of re-determined assessable value Rs. 25,87,399/- under Sections 111(l) and 111(m) of the Customs Act, 1962.

However, I give the importer an option under Section 125(1) to redeem the confiscated goods for home consumption on payment of redemption fine of **Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only)**;

(v) I impose a penalty of **Rs. 43,000/- (Rupees Forty Three Thousand only)**, upon M/s. Samrath Enterprises under Section 112(a)(ii) of the Customs Act, 1962; and

(vi) I impose a penalty of **Rs. 10,000/- (Rupees Ten Thousand only)**, upon M/s. Samrath Enterprises under Section 114AA of the Customs Act, 1962 for use of incorrect material particulars in the import transaction.

21. The Bill of Entry shall be reassessed and the goods may be considered for clearance for home consumption only after payment of the re-assessed duty, redemption fine and penalties imposed above, and after compliance with all other applicable legal requirements.

22. This Order is issued without prejudice to any other action that may be taken against the importer or any other person under the Customs Act, 1962 or any other law for the time being in force in respect of matters not adjudicated herein.

Digitally signed by
Dipakbhai Zala
Date: 21-08-2026
18:00:51

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

To
M/s. Samrath Enterprises, 3F-CS-88, Third Floor, Ansal Plaza,
Sector-1, Vaishali, Ghaziabad, Uttar Pradesh - 201010.

Copy to
1. The Additional/Joint Commissioner (SIIB), Customs Mundra.
2. The Deputy/Assistant Commissioner (EDI/TRC/RRA), Customs Mundra
3. Guard File.