



A	FILE NO. फाइल संख्या	CUS/APR/INV/797/2025-Gr-O/o Pr Commr-Cus-Mundra
B	OIO NO. आदेश संख्या	MCH/ADC/ZDC/442/2025-26
C	PASSED BY जारीकर्ता	Dipak Zala, Additional Commissioner of Customs/अपर आयुक्त सीमा शुल्क, Custom House, Mundra/कस्टम हाउस, मुंद्रा।
D	DATE OF ORDER आदेश की तारीख	17.12.2025
E	DATE OF ISSUE जारी करने की तिथि	17.12.2025
F	SCN No. & Date कारण बताओ नोटिस क्रमांक	Waived.
G	NOTICEE/ PARTY/ IMPORTER नोटिसकर्ता/पार्टी/आयातक	M/s Vidhi Enterprises (IEC-COGPA8586K)
H	DIN/ दस्तावेज़ पहचान संख्या	20251271MO000021742C

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1. यह अपील आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।

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

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 129A(1) के अंतर्गत प्रपत्र सीए3-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 128 A 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, हुडको बिल्डिंग, ईश्वर भुवन रोड,
नवरंगपुरा, अहमदाबाद-380 009

THE COMMISSIONER OF CUSTOMS (APPEALS),
4th Floor, HUDCO Building, Ishwar Bhuvan Road,

Navrangpura, Ahmedabad-380 009

3. उक्त अपील यह आदेश भेजने की दिनांक से तीन माह के भीतर दाखिल की जानी चाहिए।
Appeal shall be filed within three months 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 accompanied by –

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं°-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।
The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paisa only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ऊँटी/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये।
Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.
7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।
While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. 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 (Appeals) 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 alone is in dispute.

BRIEF FACTS OF THE CASE

As per Investigation Report No. 180/2025-26 dated 05.12.2025 issued by the SIIB Section, Customs House, Mundra, M/s Vidhi Enterprises (IEC-COGPA8586K), having its registered office at Ground Floor, M-77, Gali No. 5, Shastri Nagar, New Delhi-110052 (hereinafter referred to as “the Importer” for sake of brevity) has imported a consignment as mentioned below (hereinafter referred to as “the impugned Goods”) at Mundra Port vide Z-Bill of Entry No.

4711507 dated 24.09.2025.

Name of Importer	M/s. Vidhi Enterprises
IEC No.	IEC-COGPA8586K
Address of Importer	Ground Floor, M-77, Gali No. 5, Shastri Nagar, New Delhi-110052
Name of CFS/SEZ Unit	M/s Shoolin Trade Link LLP, APSEZ, Mundra (Kuchchh)
Bill of Entry No & Date	4711507 dated 24.09.2025
Description of Goods as per BE	Misc. Items
B/L No	ONEYNBOFA8874600 dated 31.08.2025
Container No	ONEU1294842

2. Whereras, the examination of the above said consignment was carried out by the officers of SIIB on 03.10.2025 in the presence of the importer's authorized representative Shri Pranjal Singh under Examination Report dated 03.10.2025 drawn at the premises of M/s Shoolin Trade Link LLP, APSEZ, Mundra (Kachchh). The details of the goods as declared in the said Bill of Entry are as follows:

Table-I

Sr. No.	BE no. /date	Contain er No.	Seal no.	BL no. /dat e	Goods declared	
					HSN	Items
1	4711507 (Z-Type) dated 24.09.2025	ONEU1294842	CNDP43647	ONEYNBOFA8874600 dated 31.08.2025	39261019	PENCIL BOX
					39261019	PENCIL POUCH
					34070090	COLOUR C LAY
					96110000	COLOUR WITH STAMP
					48181000	TOILET PAPER
					95044000	PLAYING CARDS
					96089199	SKETCH PEN SET
					82141010	SHARPENER

3. Weighment and Examination of the goods:

Whereas, the officer of SIIB section, CH Mundra, conducted the

examination of the impugned goods stuffed into the container no. ONEU1294842 covered under the Z-Bill of Entry No. 4711507 dated 24.09.2025 under Examination Report dated 03.10.2025. Before examination the weightment of the cargo was cross checked with weightment slip provided by the SEZ unit. The details of the weightment of the goods ARE as follows:

Table-II

Sr. N.	Bill of entry no. and Date	Container No.	B/L weight (Kg)	Cargo Weight as per SEZ Unit weightment slip(Kg)
1	4711507 dated 24.09.2025 (Z type)	ONEU1294842	14040	14120

3.1. Whereas, during the course of examination of the impugned goods, after complete de-stuffing, 628 Corrugated Boxes and PP bags were found and same was declared in Bill of Entry. Further, on examination of the goods, the officer prima facie noticed that the goods mentioned at Sr. No. 5 of the BE are actually Toilet Paper soap instead of Toilet Paper as declared by the importer. Further, the quantity of all the goods found declared. The complete details of the goods found during examination are as below:

Table-III

Sr. No.	Goods found during examination	No. of Cartons found	No. of Pieces found
1.	Pencil Box	212	26616
2.	Pencil Pouch	20	2880
3.	Colour Clay	105	19980
4.	Colour with Stamp	20	7200
5.	Paper Soap in different shapes packet in bottles (Declared as Toilet Paper)	50	28800
6.	Playing Cards	110	15930
7.	Sketch Pen Set	93	7812
8.	Sharpener	18	7824

From the above table it clearly appears that the importer has mis-declared the goods in respect of description for the goods mentioned at Sr. No. 5. Further, the said goods were imported with non-compliance of Cosmetic Rules, 2020. The actual goods found during the course of examination are Toilet Paper soap instead of Toilet Paper as declared by the importer.

4. **Classification of the Goods:**

Whereas, the importer has declared 08 items in the said BE i.e. Pencil Box, Pencil Pouch, Colour Clay, Colour with Stamp, Toilet Paper, Playing Cards, Sketch Pen Set and Sharpener. However, during the course of examination, the goods found mis-declared in terms of description for the goods mentioned at Sr. No. 5. The declared CTH of the all goods except the goods mentioned at Sr. No. 5 and 7 was found correct as per declaration. The re-determined CTH of the goods mentioned at Sr. No. 5 and 7 is as below:

A. **Toilet Paper Soap:**

The importer has misdeclared the goods as Toilet paper under CTH 48181000. However, the goods found on the examination are Toilet Paper soap. The correct Classification of the said goods is under CTH 34011190 and the relevant extract of the CTH is as below:

3401 Soap; Organic Surface-Active Products and Preparations for Use as Soap, In The Form of Bars, Cakes, Moulded Pieces or Shapes, Whether or Not Containing Soap; Organic Surface-Active Products and Preparations for Washing the Skin, In The Form of Liquid or Cream and Put Up for Retail Sale, Whether or Not Containing Soap; Paper, Wadding, Felt and Nonwovens, Impregnated, Coated or Covered with Soap or Detergent

- Soap and organic surface-active products and preparations, in the form of bars, cakes, moulded pieces or shapes, and paper, wad-ding, felt and nonwovens, impregnated, coated or covered with soap or detergent:
3401 11--For toilet use (including medicated products):
3401 11 10 --- Medicated toilet soaps
3401 11 20 --- Shaving soaps other than shaving cream
3401 11 90 --- Other

From the above it clearly appears that the goods rightly classifiable under CTH 34011190.

B. **Sketch Pen Set:**

As far as the entries at heading level are concerned, heading 9608 covers "Ball Point Pens and other items" which reads as under:

9608: BALL POINT PENS; FELT TIPPED AND OTHER POROUS- TIPPED PENS AND MARKERS; FOUNTAIN PENS; STYLOGRAPH PENS AND OTHER PENS; DUPLICATING STYLOS; PROPELLING OR SLIDING PENCILS; PEN

HOLDERS, PENCIL HOLDERS AND SIMILAR HOLDERS; PARTS (INCLUDING CAPS AND CLIPS) OF THE FOREGOING ARTICLES, OTHER THAN THOSE OF HEADING 9609

9608 10 - Ball point pens:

--- With liquid ink (for rolling ball pen):

9608 10 11 ---- High value ball point pens u 10% -

(US \$ 100 and above c.i.f. per unit)

9608 10 12 ---- Ball point pens with body or cap of precious metal or u 10% -

rolled precious metal

9608 10 19 ---- Other u 10%

--- Other:

9608 10 91 ---- High value ball point pens u 10% -

(US \$ 100 and above c.i.f. per unit)

9608 10 92 ---- Ball point pens with body or cap of precious metal u 10%

-

or rolled precious metal

9608 10 99 ---- Other u 10% -

9608 20 00 - Felt tipped and other porous-tipped pens and u 10% -

Markers

From the above it appears that the said goods are rightly classifiable under CTH 96082000 instead of the declared CTH 96089199.

The details of all the goods with declared/re-determined CTH is as follows.

Table-IV

Sr. No.	Goods found during examination	Declared CTH	Re-determined CTH
1.	Pencil Box	39261019	39261019
2.	Pencil Pouch	39261019	39261019
3.	Colour Clay	34070090	34070090
4.	Colour with Stamp	96110000	96110000
5.	Paper Soap in different shapes packet in bottles (Declared as Toilet Paper)	48181000	34011190
6.	Playing Cards	95044000	95044000
7.	Sketch Pen Set	96089199	96082000
8.	Sharpener	82141010	82141010

Valuation of the Goods:

- 5. Further, as goods found during examination in the subject Bill of Entry were mis-declared in terms of Description and classification. Therefore, value of the goods need to be determined.

5.1. Rejection of declared value & Redetermination of Assessable Value:

The Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "*the CVR, 2007*") provides the method of valuation. The Rule 3(1) of the CVR, 2007 provides that "Subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10. The Rule 3(4) ibid states that "if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007". Whereas, it appears that, transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Whereas, it further appears that, there is a reasonable doubt regarding the truth and accuracy of the value declared by the importer, and hence it appears liable to be rejected in terms of Rule 12 of the CVR, 2007.

5.2. Whereas, it appears that, if actual transaction value which means price paid or payable cannot be ascertained on the basis of Rule 3 of the CVR, 2007, the value shall be decided proceeding to subsequent rules. Thus, recourse is to be taken to the Rule 9 of the CVR, 2007 which provides for determination of value where the value of the imported goods cannot be determined under the provisions of the 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.

5.3. Whereas, it appears that, the value of the impugned goods could not be determined under Rule 4 and 5 ibid since the goods have been undeclared/mis-declared by means of description, the value of contemporaneous imports of identical and similar goods of same quality and composition was not found. Proceeding sequentially, it is stipulated under Rule 6 ibid that where the value is not determinable under Rule 3, 4 and 5, the value is to be determined under Rule 7 or when the value cannot be determined under that Rule, under Rule 8. Whereas, Rule 7 provides for 'Deductive Value' i.e. the value is to be determined on the basis of valuation of identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions

stipulated under the rule. Whereas, for the reasons detailed above, the values also cannot be determined as per the said Rule 7 ibid. Likewise, for application of Rule 8 of the CVR, 2007, the cost of production or processing involved in the imported goods are not available. In the absence of requisite data, the value cannot be determined by taking recourse to these rules either.

5.4. Whereas, it appears that, the provisions of Rule 4 to 8 ibid, are not applicable in the instant case, the value of the impugned goods is required to be determined under the provisions of Rule 9 of the CVR 2007, which reads as under: -

“Rule 9: Residual method – (1) Subject to the provisions of Rule 3, where the value of the 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:”

5.5. Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. ABJ:INSP:CE:MUN:SIIB:SH:VE:25-26:12 dated 30.10.2025 wherein, he has reported the value of the cargo as tabulated below:

Table-V

Sr. no.	Item	Unit	Quantity found on examination in Dzn	Suggestive value per Dzn in USD	Suggestive Present CIF value in USD	Suggestive Present CIF value in INR (1 USD= 88.85 INR)
1	Pencil Box	Dzn	2218	3.3	7319.4	650329
2	Pencil Pouch	Dzn	240	2.2	528	46913
3	Colour Clay	Dzn	1665	0.7	1165.5	103555
4	Colour with Stamp	Dzn	600	2	1200	106620
5	Paper Soap in different shapes packet in bottles (Declared as Toilet paper)	Dzn	2400	0.95	2280	202578
6	Playing Cards	Dzn	1327.5	0.67	889.425	79025
7	Sketch Pen Set	Dzn	651	2.5	1627.5	144603
8	Sharpener	Dzn	652	0.41	267.32	23751

Total	15277.145/-	13,57,374/-
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5.6. Whereas, it appears that, the assessable value of Rs. 7,01,779.44/- declared by the importer in the Z-Bill of Entry No. 4711507 dated 24.09.2025 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 13,57,374/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

6. Importability and Policy Compliance:

6.1. All the goods found during the examination except the goods mentioned at Sr. No. 5 of Table-III above are freely importable after paying of applicable Customs Duty. However, the goods mentioned at Sr. No. 5 of Table-III i.e. Toilet Paper soap are covered under "Cosmetics Rules, 2020 which were framed under Drugs and Cosmetics Act, 1940". The importer has imported the goods declared as Toilet paper, however, the goods found on the examination are Toilet Paper soap which are used for cleansing of hands in toilet. Accordingly, the goods are categorised as cosmetic. The definition of Cosmetics as per Drugs and Cosmetics Act, 1940 is as follows:

3. Definitions. —In this Act, unless there is anything repugnant in the subject or context, —

5[6][(aaa)] "cosmetic" means any article intended to be rubbed, poured, sprinkled or sprayed on, or introduced into, or otherwise applied to, the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance,

and includes any article intended for use as a component of cosmetic 7 * *;]*

6.2. As the goods imported by the importer falls under category of the cosmetic the same may be allowed for the import after registration of the goods in accordance with the Cosmetic Rules, 2020. The relevant extract of the rules is as follows:

12. *Import of cosmetics.* — (1) No cosmetic shall be imported into India unless the product has been registered in accordance with these rules by the Central Licensing Authority or by any officer to whom such powers may be delegated under sub-rule (1) of rule 5.

(2) An application for registration of a cosmetic product intended to be imported into India shall be made through the online portal of the Central Government in Form COS- 1 either by the manufacturer himself or by his authorised agent or the importer in India or by the subsidiary in India authorised by the manufacturer.

(3) An authorisation by the manufacturer to his agent in India shall be duly authenticated either in India before a first class Magistrate or in the country of origin before the authority competent under the laws of that country or by an authority specified in the First Schedule.

39. *Standards of cosmetics.* — (1) No cosmetic shall be imported or manufactured unless it complies with the specifications prescribed under the Ninth Schedule or any other standards of quality and safety, applicable to it, and other provisions under the rules. In case, the cosmetic is not included under the Ninth Schedule, it shall meet the requirements under these rules and specifications and standards applicable to it in the country of origin.

(2) Raw materials specified in ANNEX A of the Indian Standard IS: 4707 Part 2, as amended from time to time, shall not be added in the cosmetic product.

(3) No Cosmetic shall be imported or manufactured which contains Dyes, Colours and Pigments other than the one specified by the Bureau of Indian Standards (IS: 4707 Part 1 or IS: 4707 Part 2, as amended) and included the Tenth Schedule.

6.3. Therefore, in view of the above, it is clear that the goods Toilet Paper Soap having total quantity 2400 Dzn found during examination, are covered under mandatory registration under The Cosmetics Rules, 2020. However, no registration certificate/license was produced by the importer, So the goods become prohibited for import. Accordingly, the goods are liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962.

7. Re-determination of Applicable Duty:

On the basis of re-determined value of the goods in above Table-V, duty leviable on goods imported vide B/E No. 4711507 dated 24.09.2025 is being re-calculated for the goods which will be released for Home Consumption. The re-calculated leviable duty is as under: -

Table-VI

Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in Dzn	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 15%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
1	Pencil Box	39261019	2218	650329	97549	9755	136374	243678
2	Pencil Pouch	39261019	240	46913	7037	704	9838	17578
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in Dzn	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 10%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
3	Colour Clay	34070090	1665	103555	10355	1036	20690	32081
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in Dzn	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 20%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
4	Colour with Stamp	96110000	600	106620	21324	2132	23414	46870
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in Dzn	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 20%	SWS @ 10%	IGST @ 5%	Total applicable Duty in Rs.
6	Playing Cards	95044000	1327.5	79025	15805	1581	4821	22206
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in Dzn	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 10%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
7	Sketch Pen Set	96082000	651	144603	14460	1446	28892	44798
8	Sharpener	82141010	652	23751	2375	238	4746	7358
Total				11,54,796/-	168906	16891	228773	4,14,570/-

The total re-determined value of the goods releasable for Home Consumption comes to Rs. 11,54,796/- and the total re-determined Duty for the said releasable goods comes to Rs. 4,14,570/- instead of the declared duty

for the same i.e. Rs. 1,76,091/- . The differential duty of said releasable goods comes to Rs. 2,38,479/- . The duty was not calculated for Item no. 5 of above Table-III as the goods are prohibited for non-compliance of Cosmetics Rules, 2020.

8. Outcome of the Investigation:

The investigation conducted by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra, based on the special intelligence, revealed significant irregularities in the import consignment of M/s. Vidhi Enterprises, Ground Floor, M-77, Gali No. 5, Shastri Nagar, New Delhi-110052 (IEC: COGPA8586K), under Z-Bill of Entry No. 4711507 dated 24.09.2025, covering container ONEU1294842. The examination conducted on 03.10.2025, which uncovered deliberate mis-declaration, undervaluation, and non-compliance with regulatory requirements, indicating an intent to evade Customs duties and violate import regulations. The outcomes of the investigation are as follows:

8.1. Examination of the Goods:

The officer of SIIB section, CH Mundra, conducted the examination of the impugned goods stuffed into the container no. ONEU1294842 covered under the Z-Bill of Entry No. 4711507 dated 24.09.2025 under Examination Report dated 03.10.2025. During the course of examination of the impugned goods, after complete de-stuffing, 628 Corrugated Boxes and PP Bags were found. Further, on examination of the goods, the officer prima facie noticed that the goods mentioned at Sr. No. 5 of the BE are actually Toilet Paper soap instead of Toilet Paper as declared by the importer.

8.2. Classification of the Goods:

The declared CTH of the goods i.e. Pencil Box, Pencil Pouch, Colour Clay, Colour with Stamp and Playing Cards found during the examination and declared by the importer is found correct as per Customs Tariff, 1975. Further, the goods Sketch Pen Set found during the examination are misdeclared in terms of classification whereas the goods declared as Toilet Paper are misdeclared in terms of description and classification. The re-determined CTH of the said goods are as below:

- i. Toilet Paper Soap-34011190.
- ii. Sketch Pen Set-96082000.

8.3. Valuation of the Goods:

Whereas, as per the provisions of Rule 9 ibid, the assessable value of the

goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. ABJ:INSP:CE:MUN:SIIB:SH:VE:25-26:12. It appears that, the assessable value of Rs. 7,01,779.44/- declared by the importer in the Z-Bill of Entry No. 4711507 dated 24.09.2025 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 13,57,374/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

8.4. Re-determination of Duty:

The total re-determined value of the goods releasable for Home Consumption comes to Rs. 11,54,796/- and the total re-determined Duty for the said releasable goods comes to Rs. 4,14,570/- instead of the declared duty for the same i.e. Rs. 1,76,091/-. The differential duty of said releasable goods comes to Rs. 2,38,479/-. The duty was not calculated for Item no. 5 of above Table-III as the goods are prohibited for non-compliance of Cosmetics Rules, 2020.

8.5. Importability and Policy Compliance:

All the goods found during the examination except the goods mentioned at Sr. No. 5 of Table-III above are freely importable after payment of applicable Customs Duty. However, the goods mentioned at Sr. No. 5 of Table-III i.e. Toilet Paper soap are covered under "Cosmetics Rules, 2020" which were framed under Drugs and Cosmetics Act, 1940". The importer has imported the goods declared as Toilet paper, however, the goods found on the examination are Toilet Paper soap which are used for cleansing of hands in toilet. Accordingly, the goods are categorised as cosmetic. As the goods imported by the importer falls under category of the cosmetic the same may be allowed for the import after registration of the goods in accordance with the Cosmetic Rules, 2020.

8.6. Confiscation of Goods and Penal Action:

In view of the above, it is evident that the importer, M/s. Vidhi Enterprises, has imported the goods covered under bill of entry No. 4711507 dated 24.09.2025 in violation of the Cosmetics Rules, 2020. The importer also mis-declared the goods in term of Description. Therefore, the goods mentioned at Sr. No. 5 of Table-III are liable for confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962 due to being not included, not

corresponding to the declared value and for non-compliance of Cosmetics Rules, 2020 and the rest of the goods of Table-III are liable for confiscation under Sections 111(m) of the Customs Act, 1962 due to not corresponding to the declared value. The importer's actions indicate an intent to evade customs duty, violating Section 46(4) of the Customs Act, 1962 (false declaration in Bill of Entry). Consequently, the importer is liable for penalties under Sections 112(a)(i), 112(a)(ii) and 114AA of the Customs Act, 1962, for knowingly submitting false documents and attempting to evade duties.

9. RELEVANT LEGAL PROVISIONS:

(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:

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) 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 2(39): "smuggling", in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113.

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.

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(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;

--

(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) Relevant Provisions of Customs Valuation (Determination of Value of Imported Goods) 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.*

WAIVER OF NOTICE AND PERSONAL HEARING

10. The importer M/s. Vidhi Enterprises, (IEC: COGPA8586K) submitted letter dated 07.11.2025 to SIIB, Mundra Customs, wherein they have requested for waiver of SCN and PH in the instant case and accepted the CE valuation. They also requested for Re-Export of the goods i.e. Toilet Paper Soap. Accordingly, necessary adjudication proceeding/action may be initiated in respect of the said Bill of Entry as per the Customs Act, 1962.

DISCUSSION AND FINDINGS

11. I have carefully gone through the records of the case, investigation report dated 05.12.2025, Valuation report by empanelled Chartered Engineer and the applicable provisions of law. The importer, M/s. Vidhi Enterprises, vide letter dated 07.11.2025 has requested for waiver of Show Cause Notice and Personal hearing. Thus, the principles of Natural justice as provided in Section 122a of the Customs Act, 1962 have been complied with and I proceed to decide the case on the basis of documentary evidence available on records. The issues to be decided by me are:-

- i. Whether the description and classification of the goods mentioned at Sr. No. 5 in Z-Bill of Entry No. 4711507 dated 24.09.2025, filed by the Importer M/s Vidhi Enterprises, are liable to be rejected due to mis-

declaration, mis-classification and undervaluation, as detailed in Para 7 above and the same needs to be re-determined as per Tables III and IV.

- ii. Whether the declared classification of the goods mentioned at Sr. No. 7 in Z-Bill of Entry No. 4711507 dated 24.09.2025, filed by the importer M/s Vidhi Enterprises, is liable to be rejected due to mis-classification as detailed in Para 3, above and the same needs to be re-determined as per table IV.
- iii. Whether the declared assessable value of Rs. 7,01,779.44/- for the goods under Z-Bill of Entry No. 4711507 dated 24.09.2025 is liable to be rejected and re-determined as Rs. 13,57,374/-, as per the Chartered Engineer's Valuation (Determination of Value of Imported Goods) Rules, 2007.
- iv. Whether the Bill of Entry No. 4711507 dated 24.09.2025 needs to be re-assessed under Section 17(4) of the Customs Act, 1962, with re-determined duty, classification and description as discussed in above paras.
- v. Whether the goods imported vide bill of Entry no. 4711507 dated 24.09.2025 except mentioned at Sr. No. 5 of the Table-III having re-determined value of Rs. 11,54,796/- are liable for confiscation under Section 111(m) of the Customs Act, 1962.
- vi. Whether the goods imported vide Bill of Entry no. 4711507 dated 24.09.2025 mentioned at Sr. no. 5 of the Table-III having re-determined value of Rs. 2,02,578/- for being prohibited in absence of requisite registration certificate as per Cosmetics Rules, 2020 are liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962.
- vii. Whether the importer, M/s Vidhi Enterprises (IEC: COGPA8586K) is liable for penalties under Sections 112(a)(i), 112(a)(ii) and 114AA of the Customs Act, 1962.

12. I find that M/s Vidhi Enterprises (IEC-COGPA8586K), has imported a consignment at Mundra Port vide Z-Bill of Entry No. 4711507 dated 24.09.2025. The details of the goods as declared in the said Bill of Entry are as mentioned at Table-I Above.

12.1 I find that the officer of SIIB section, CH Mundra, conducted the examination of the impugned goods stuffed into the container no. ONEU1294842 covered under the Z-Bill of Entry No. 4711507 dated 24.09.2025 under Examination Report dated 03.10.2025. Before examination the weightment of the cargo was cross checked with weightment slip provided by the SEZ unit. The details of the weightment of the goods are as mentioned at Table-II above.

12.2. I find that during the course of examination of the impugned goods, after complete de-stuffing, 628 Corrugated Boxes and PP bags were found and same was declared in Bill of Entry. Further, on examination of the goods, the officer *prima facie* noticed that the goods mentioned at Sr. No. 5 of the BE are actually Toilet Paper soap instead of Toilet Paper as declared by the importer. Further, the quantity of all the goods found declared. The complete details of the goods found during examination are as mentioned at Table-III above.

12.3 I find that from the above, it is evident that the importer has mis-declared the goods in respect of description for the goods mentioned at Sr. No. 5. Further, the said goods were imported with non-compliance of Cosmetic Rules, 2020. The actual goods found during the course of examination are Toilet Paper soap instead of Toilet Paper as declared by the importer.

13. I find that the importer has declared 08 items in the said BE i.e. Pencil Box, Pencil Pouch, Colour Clay, Colour with Stamp, Toilet Paper, Playing Cards, Sketch Pen Set and Sharpener. However, during the course of examination, the goods found mis-declared in terms of description for the goods mentioned at Sr. No. 5. The declared CTH of the all goods except the goods mentioned at Sr. No. 5 and 7 was found correct as per declaration. The re-determined CTH of the goods mentioned at Sr. No. 5 and 7 is as mentioned at Table-IV above.

14. I find that as goods found during examination in the subject Bill of Entry were mis-declared in terms of Description and classification. Therefore, value of the goods need to be determined.

14.1. I find that Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 provides the method of valuation. Rule 3(1) of the CVRs, 2007 provides that subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10. Rule 3(4) ibid states that if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007.

14.2 I state that "Value" has been defined under Section 2(41) of the Customs Act, 1962 as "Value", in relation to any goods, means the value thereof determined in accordance with the provisions of sub-section (1) or sub-section (2) of section 14".

14.3 The Section 14 ibid provides, *inter alia*, that the value of the imported goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery

at the time and place of importation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such their conditions as may be specified in the rules made in this behalf. Further, its proviso provides that such transaction value in the case of imported goods shall include, in addition to the price as aforesaid, any amount paid or payable for costs and services, including commissions and brokerage, engineering, design work, royalties and license fees, costs of transportation to the place of importation, insurance, loading, unloading and handling charges to the extent and in the manner specified in the rules made in this behalf. I find that as per the above provision value of any imported goods is the price actually paid or payable for the goods plus the components of other incidental charges to the extent mentioned in proviso to Section 14 ibid and in the manner specified in the Rules made under Section 14 ibid.

14.4 I find that Rule 4(1) (a) of Rules 2007 stipulates determination of value of goods on the basis of value of identical goods. Rule 5, providing for transaction value of similar goods. I observed that the imported goods were found in different variety, description, specification and quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data extracted with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value cannot be determined under Rules 4 and 5 of CVR, 2007. As per Rule 6 ibid, if the value cannot be determined under Rules 3, 4 and 5 same shall be determined under the provisions of Rule 7 or when same cannot be determined under that rule then under Rule 8. I also noticed that no exact sales values and data required for quantification of the deductions was available, hence, rule 7 cannot be invoked. Further, computed value, as provided under Rule 8, cannot be calculated in the absence of quantifiable data relating to cost of production, manufacture or processing of import goods. In such scenario, I find it appropriate to invoke the provisions of Rule 9 i.e. residual method for determining the value of the impugned import goods. Rule 9 provides for determination of value using reasonable means consistent with the principles and general provisions of these rules.

14.5 I find that in absence of credible data of import of similar goods and other constraints the value of these goods cannot be determined in terms of Rule 4, 5, 6, 7, 8 of Customs Valuation Rules 2007. Hence, the value is required to be determined in terms of Rule 9 of said rules. Accordingly, goods were examined for the valuation purpose by the Government empanelled Chartered

engineer/valuer for determination of the value and description of goods imported under the subject bill of entry accordingly, opinion of the empanelled Chartered Engineer was sought for determination of the value of the imported goods. Shri Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. ABJ:INSP:CE:MUN:SIIB:SH:VE:25-26:12 dated 30.10.2025 wherein, he has reported the value of the cargo as tabulated at Table-V above.

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14.6. I find that the assessable value of Rs. 7,01,779.44/- declared by the importer in the Z-Bill of Entry No. 4711507 dated 24.09.2025 is liable to be rejected in terms of Rule 12 of the CVR, 2007 and the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 13,57,374/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

15. I find that all the goods found during the examination except the goods mentioned at Sr. No. 5 of Table-III above are freely importable after paying of applicable Customs Duty. However, the goods mentioned at Sr. No. 5 of Table-III i.e. Toilet Paper soap are covered under “Cosmetics Rules, 2020 which were framed under Drugs and Cosmetics Act, 1940”. The importer has imported the goods declared as Toilet paper, however, the goods found on the examination are Toilet Paper soap which are used for cleansing of hands in toilet. Accordingly, the goods are categorised as cosmetic. The definition of Cosmetics as per Drugs and Cosmetics Act, 1940 is as follows:

3. Definitions. —*In this Act, unless there is anything repugnant in the subject or context, —*

5/ 6/[(aaa)] “cosmetic” means any article intended to be rubbed, poured, sprinkled or sprayed on, or introduced into, or otherwise applied to, the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance,

and includes any article intended for use as a component of cosmetic 7* * *;]

15.1. I find that as the goods imported by the importer falls under category of the cosmetic the same may be allowed for the import after registration of the goods in accordance with the Cosmetic Rules, 2020.

15.3. I find that Therefore, in view of the above, it is clear that the goods Toilet Paper Soap having total quantity 2400 Dzn found during examination, are covered under mandatory registration under The Cosmetics Rules, 2020. However, no registration certificate/license was produced by the importer, So the goods become prohibited for import. Accordingly, the goods are liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962.

16. I find that on the basis of re-determined value of the goods in above Table-V, duty leviable on goods imported vide B/E No. 4711507 dated 24.09.2025 is being re-calculated for the goods which will be released for Home Consumption. The re-calculated leviable duty is as mentioned at Table-VI above.

16.1 I find that the total re-determined value of the goods releasable for Home Consumption comes to Rs. 11,54,796/- and the total re-determined Duty for the said releasable goods comes to Rs. 4,14,570/- instead of the declared duty for the same i.e. Rs. 1,76,091/-. The differential duty of said releasable goods comes **to Rs. 2,38,479/-**. I further find that the duty was not calculated for Item no. 5 of above Table-III as the goods are prohibited for non-compliance of Cosmetics Rules, 2020.

17. CONFISCATION OF THE GOODS UNDER SECTION 111(d), 111(l) and 111(m) OF THE CUSTOMS ACT, 1962:

17.1 It is alleged that the goods imported vide Bill of Entry No. 4711507 dated 24.09.2025, except those mentioned at Sr. No. 5 of Table-III (Toilet Paper Soap), having **re-determined value of Rs. 11,54,796/-**, are liable for confiscation under Sections 111(m) of the Customs Act, 1962. In this regard, I find that as far as confiscation of goods is concerned, Section 111 of the Customs Act, 1962, defines the "Confiscation of improperly imported goods". The relevant legal provisions of Section 111 of the Customs Act, 1962 are reproduced below:

"

...

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

17.2 I find that the goods imported in the present shipment (releasable for home consumption) have been found mis-declared in respect of classification

and valuation. Upon examination, it has been found that the declared value did not represent the true transaction value and the classification for items at Sr. Nos. 7 of Table-III above, did not match the actual goods. The revised valuation and classification suggested during the investigation have been accepted by the importer. Thus, it is evident that the value, description, and classification have not been correctly declared in the import documents and manifest. Accordingly, there is no doubt that the releasable goods for home consumption i.e. all goods except those mentioned at Sr. no. 5 of Table-III above, are liable for confiscation under the provisions of Sections 111(m) of the Customs Act, 1962.

17.3 It is further alleged that the goods mentioned at Sr. No. 5 of Table-III (Toilet Paper Soap), **having re-determined value of ₹2,02,578/-**, are liable for confiscation under Sections 111(d), 111(l), and 111(m) of the Customs Act, 1962, due to non-compliance with Cosmetics Rules, 2020 (prohibited import without registration). Section 111(d), 111(l) and 111(m) of the Customs Act, 1962 provides:

"...

(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;

...

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

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

17.4 I find that these goods qualify as "cosmetics" under Section 3(aaa) of the Drugs and Cosmetics Act, 1940, requiring mandatory registration under Rule 12 of Cosmetics Rules, 2020. No such registration/license was produced, rendering the import prohibited, thus liable for confiscation under Section 111(d). The mis-declaration of description (Toilet Paper vs. actual Toilet Paper Soap) further invokes Sections 111(l) and 111(m) of the Customs Act, 1962. Thus, these goods are liable for confiscation under Sections 111(d), 111(l), and 111(m).

17.5 As the impugned goods are found to be liable for confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962, I find it necessary to consider whether redemption fine under Section 125 of the Customs Act, 1962, is liable to be imposed in lieu of confiscation in respect of the impugned goods. Section 125 ibid reads as under:

“Section 125. Option to pay fine in lieu of confiscation.
—(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods [or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit.”

17.5.1 Accordingly, I observe that as the goods mentioned at Table-III above except sr. no 5, are not restricted/prohibited for import and releasable for home consumption, an option to the importer may be given for clearance of the goods for home consumption on payment of redemption fine. Further, I observed that goods mentioned at sr. no. 5 of Table-III above, is prohibited, as discussed above. In this reference, considering the importer's request vide letter dated 07.11.2025 for re-export of these prohibited goods, an option for re-export without absolute confiscation may be given to the importer on payment of redemption fine.

18. PENALTY UNDER SECTIONS 112(a)(i), 112(a)(ii), AND 114AA OF THE CUSTOMS ACT, 1962:

18.1 From the above, it is evident that the importer M/s. Vidhi Enterprises has done mis-declaration, mis-classification, and undervaluation of the declared goods, rendering the subject goods liable for confiscation under Sections 111(d), 111(l), and 111(m), and themselves liable for penalty under Section 112(a)(i) (for prohibited goods) and 112(a)(ii) (for dutiable goods) of the Customs Act, 1962.

18.2 As regards the penalty on the Importer under Section 114AA of the Customs Act, 1962 is concerned, Section 114AA mandates penal action for intentional usage of false and incorrect material against the offender. From the investigation and other material particulars, it is observed that the Importer has

dealt with incorrect documents while filing bill of entry for the said shipment. The Importer had knowingly and intentionally made/signed/used and/or caused to be made/signed/used the import documents and other related documents which were false or incorrect in material particular such as description, value etc., with mala-fide intention, and therefore, the Importer is liable to penalty under Section 114AA of the Customs Act, 1962.

19. In view of the foregoing discussion and findings, I pass the following ORDER:

ORDER

- I. I order to reject the description, classification of the goods mentioned at Sr. No. 5 in Z-Bill of Entry No. 4711507 dated 24.09.2025, filed by the Importer M/s Vidhi Enterprises, as detailed in Para 7 above and the same needs to be re-determined as per Tables III and IV.
- II. I order to reject the declared classification of the goods mentioned at Sr. No. 7 in Z-Bill of Entry No. 4711507 dated 24.09.2025, filed by the importer M/s Vidhi Enterprises, and the same needs to be re-determined as per Table IV above.
- III. I order to reject the declared assessable value of ₹7,01,779.44/- for the goods under Z-Bill of Entry No. 4711507 dated 24.09.2025 and order to re-determine the same as ₹13,57,374/- (Rupees Thirteen Lakhs Fifty-Seven Thousand Three Hundred and Seventy-Four only) under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.
- IV. I order to re-assess the Bill of Entry No. 4711507 (Z-type) dated 24.09.2025 accordingly under Section 17(4) of the Customs Act, 1962, with re-determined duty, classification and description as discussed in above paras.
- V. I order to confiscate the goods imported vide bill of Entry no. 4711507 dated 24.09.2025 (except goods mentioned at Sr. No. 5 of the Table-III), having re-determined value of Rs. 11,54,796/- under Section 111(m) of the Customs Act, 1962. However, I give an option to the Importer to redeem the same on payment of redemption fine of **Rs. 1,15,000/-** (Rupees One Lakh Fifteen Thousand only) under Section 125(1) of the Customs Act, 1962.
- VI. I order to confiscate the goods imported vide Bill of Entry no. 4711507 dated 24.09.2025 mentioned at Sr. no. 5 of the Table-III, having re-determined value of Rs. 2,02,578/- under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the

importer to redeem the same on payment of redemption fine of **Rs. 20,000/-** (Rupees Twenty Thousand only) under Section 125(1) of the customs Act, 1962 only for re-export purpose.

VII. I impose a penalty of **Rs. 10,000/-** (Rupees Ten Thousand only) upon the Importer under Section 112(a)(i) of the Customs Act, 1962, in respect of prohibited goods.

VIII. I impose a penalty of Rs. **23,000/-** (Rupees Twenty Three Thousand only) upon the Importer under Section 112(a)(ii) of the Customs Act, 1962, in respect of dutiable goods, other than prohibited goods.

IX. I impose a penalty of **Rs. 25,000/-** (Rupees Twenty Five Thousand only) upon the Importer under Section 114AA of the Customs Act, 1962.

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

Zala Dipakbhai Chimanbhai
Additional Commissioner of Customs,
Import Assessment Group,
Customs House, Mundra

To:

M/s. Vidhi Enterprises (IEC: COGPA8586K),
Ground Floor, M-77, Gali No. 5,
Shastri Nagar, New Delhi-110052.

Copy to:

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