OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
CUSTOMS HOUSE, MP & SEZ
MUNDRA, KUTCH-GUJARAT -370421
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सत्यमेव जयते

A	**FILE NO.** फ़ाइल संख्या	CUS/APR/INV/4724/2026-Gr 3-O/o Pr Commr-Cus-Mundra
B	**OIO NO.** आदेश संख्या	MCH/ADC/ZDC/358/2026-27
C	**PASSED BY** जारीकर्ता	Dipak Zala, Additional Commissioner of Customs/अपर आयुक्त सीमा शुल्क, Custom House, Mundra/कस्टम हाउस, मुंद्रा।
D	**DATE OF ORDER** आदेश की तारीख	29.09.2026
E	**DATE OF ISSUE** जारी करने की तिथि	29.09.2026
F	**SCN No. & Date** कारण बताओ नोटिस क्रमांक	Waived.
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	M/s. AK Enterprises (CXPPK4674J)

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

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

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

"सीमाशुल्कआयुक्त (अपील),
चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,
नवरंगपुरा,अहमदाबाद 380 009"
"THE COMMISSIONER OF CUSTOMS (APPEALS),
HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN ROAD,
NAVRANGPURA, AHMEDABAD-380 009."

3. उक्तअपील यहआदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए।
Appeal shall be filed within sixty days from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-

Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must be accompanied by –

(i) उक्त अपील की एक प्रति और A copy of the appeal, and

(ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं°-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

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

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

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

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

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

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

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

BRIEF FACTS OF THE CASE:

On the basis of specific information received by this office, the goods imported by M/s. AK Enterprises, Office No. S-07-47, Upper level, Haw, Plot Number 88 to 91, Road Sector 1, Navi Mumbai – 400706 (GSTIN: 27CXPPK4674J1ZQ), (hereinafter referred to as "the importer" for the sake of brevity) under Bill of Entry No. Z-3290603 dated 21.08.2026, filed at APSEZ (INAJM6), were taken up for examination. The goods were destined to M/s. Shoolin Tradelink LLP, SEZ Unit, APSEZ, Mundra. The examination was conducted under Panchnama dated 26.08.2026 drawn at M/s. Shoolin Tradelink LLP, APSEZ, Mundra, in the presence of independent Panchas and the authorized representative of the importer/SEZ Unit.

The details of the goods declared in the Bill of Entry No. Z-3290603 dated 21.08.2026 are detailed below:

Table-I: Declared Goods Details

Sr. No.	CTH	Description of Goods	No. of Packages	Quantity	UQC
1	61152990	Ladies Leggings	416	6365	DOZ

2. Examination of the Goods:

The examination of the goods covered under Bill of Entry No. 3290603 dated 21.08.2026 (Z-type) was conducted on 26.08.2026 under Panchnama in the presence of the authorized representative of the importer and SEZ unit, namely Shri Pranjal Singh, Sr. Import Executive, M/s. Shoolin Tradelink LLP, at the premises of M/s. Shoolin Tradelink LLP, APSEZ, Mundra. The goods, received in Container No. SNBU8297070 covered under Bill of Lading No. SNLGNBDLA190369 dated 14.07.2026, were examined with reference to Commercial Invoice No. AKE023/26-27 dated 09.07.2026, issued by M/s. Pujiang Xinfu Clothing Co., Ltd., China. The details of weighment verified from the weighment slip are as below:

Table-II: Weighment Details

Sr. No.	Bill of Entry No. and Date	Container No.	Declared Weight in BE (Kgs)	Weighment as per Weighment Slip (Kgs)
1	3290603 dated 21.08.2026 (Z-type)	SNBU8297070	22,140	22,550

During the examination, the container Line Seal was found intact and matched the details declared in the Bill of Lading. The seal was thereafter cut in the presence of the Panchas, and upon opening the container doors it was observed that the container was fully stuffed with bales wrapped in PP woven sheet. The goods were de-stuffed from the container in the open area between Warehouse No.-1 & 2. A total of 416 bales were found. Thereafter, bales were examined one by one and weight of the bales were verified on random basis. The goods were found to be Ladies leggings & Women night dress. The inventory of the goods found in the container is as tabulated below:

Table-III: Details of the Goods Found During Examination

Sr. No.	Description	No. of Bales	Pieces per Bale	Total Pieces
1	Ladies' Leggings	166	200	33,200
		54	200	10,800
2	Women Night Dress	50	140	7,000
		80	200	16,000

Sr. No.	Description	No. of Bales	Pieces per Bale	Total Pieces
		50	240	12,000
		16	300	4,800
Total		416		

As tabulated above, a total of 416 bales were found during examination, containing 44,000 pieces (approx. 3,667 DOZ) of Ladies leggings and 39,800 pieces (approx. 3,317 DOZ) of Women night dress, aggregating 83,800 pieces. The importer had declared only Ladies leggings, quantity 6,365 DOZ (76,380 pieces), in the said Bill of Entry. On physical examination, however, Ladies leggings were found short by approximately 2,698 DOZ against the declared quantity, and Women night dress amounting to approximately 3,317 DOZ was found undeclared and packed together with the declared goods. The importer thus appears to have misdeclared the imported goods in terms of description, classification and quantity, with the undeclared goods packed together with the declared goods in a manner apparently designed to avoid detection – pointing to an intention to evade Customs duty and applicable import restrictions.

3. Classification of the Goods:

a) Classification of Ladies Leggings: The importer has declared the goods as Ladies' leggings, correctly classifiable under CTH 61152990. The relevant extract of the CTH is as below:

6115 Panty hose, tights, stockings, socks and other hosiery, including graduated compression hosiery and footwear without applied soles, knitted or crocheted

6115 29 – Of other textile materials:

6115 2990 --- Other

b) Classification of Women Night Dress: The Women night dress was not declared in the Bill of Entry and is correctly classifiable under CTH 61083210. The relevant extract of the CTH is as below:

6108 Women's/girls' slips, petticoats, briefs, panties, nightdresses, pyjamas, etc.

– Nightdresses and pyjamas:

6108 32 – Nightdresses and pyjamas of man-made fibres

6108 3210 --- Of synthetic fibres

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

Table-IV:

Sr. No.	Declared Description	Re-determined Description	Declared CTH	Re-determined CTH	Re-determined Qty (Pcs)
1	Ladies Leggings	Ladies Leggings	61152990	61152990	44,000
2	Not Declared in Bill of Entry	Women Night Dress	--	61083210	39,800

4. Rejection of declared value and Determination of Assessable Valuation:

4.1. The inconsistencies observed in the filing of the Bill of Entry suggest deliberate undervaluation, mis-declaration of quantity, non-declaration of an item and mis-classification. In the Bill of Entry No. Z-3290603 dated 21.08.2026, the importer had declared only the item listed in Table-I above, whereas the goods actually found on examination are as detailed in Table-III above.

4.2. As the imported goods were found to be undervalued, mis-declared and, in part, undeclared vis-à-vis the Bill of Entry No. Z-3290603 dated 21.08.2026, they are liable to be re-assessed under Section 17(4) of the Customs Act, 1962. Since mis-declaration of the goods, in terms of description, quantity and value, was noticed, the declared value of the goods is liable to be rejected in terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 ("the CVR, 2007"), and is required to be re-determined by proceeding sequentially from Rule 4 to Rule 9 thereof.

4.3. Determination of Valuation:

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.

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.

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 un-declared/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.

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:"*

4.4. Accordingly, a Government-approved Chartered Engineer cum Valuer was appointed for valuation of the goods. The Chartered Engineer, Shri Anwar Y. Kukad, vide his valuation report Ref. No. AYK:VAL:03056:2026 dated 14.09.2026, has suggested the valuation of the imported goods as under:

Table-V: Valuation of Goods Found During Examination:

Sr. No.	Description	Total Quantity Found (Pcs)	Unit Suggestive Average CIF Value by C.E (INR) Approx.	Unit Suggestive Average CIF Value by C.E. (USD)	Total Suggestive Average CIF Value by C.E. (USD)	Total Suggestive Average CIF Value by C.E. (INR) @ Rs. 96.50/USD
1	Ladies' Leggings	44,000	14.96	0.155	6820.00	658130.00
2	Women Night Dress	39,800	34.26	0.355	14129.00	1363448.50
Total				--	**20,949.00**	**20,21,578.50**

The Chartered Engineer, empanelled by the Government, has determined the fair CIF value of the goods actually found during examination at Rs. 20,21,578.50/-, as against the declared assessable value of Rs. 11,05,601/- for the declared item.

4.5. With the introduction of self-assessment under Section 17(1) of the Customs Act, 1962, the responsibility lies squarely on the importer to accurately self-assess the Bill of Entry and declare the correct amount of leviable duty. By failing to declare the imported goods correctly in the Bill of Entry, the importer's actions indicate an intent to evade payment of the correct duties on the imported goods. This deliberate omission raises reasonable grounds to believe that the importer wilfully and intentionally misdeclared dutiable goods, thereby causing a loss to Government revenue.

5. Importability and Policy Compliance:

All the goods found during the examination are freely importable on payment of applicable Customs Duty.

6. Re-determination of Duty:

6.1. Based on the foregoing paragraphs, it is evident that the importer has undervalued/mis-classified/mis-declared the imported goods so as to evade payment of Customs duties and taxes. The duty liability on the goods actually found during examination, as per the re-determined value, is ascertained below:

Table-VI: Re-determined Duty Liability

Sr. No.	Description	Assessable Value as per C.E. Report (Rs.)	BCD @ 20% (Rs.)	SWS @ 10% of BCD (Rs.)	IGST @ 5% (Rs.)	Total Duty (Rs.)
1	Ladies' Leggings	658,130.00	131,626.00	13,162.60	40,145.93	184,934.53
2	Women Night Dress	13,63,448.50	2,72,689.70	27,268.97	83,170.36	3,83,129.03

Total	**2,021,578.50**	404,315.70	40,431.57	123,316.29	**568,063.56**

From Table-VI above, it appears that the total duty liability of the importer, on the goods actually found during examination, works out to Rs. 5,68,064/-.

6.2. The importer, in the Bill of Entry No. Z-3290603 dated 21.08.2026, had declared an assessable value of Rs. 11,05,601/- for the declared quantity of Ladies' leggings and had self-assessed duty thereon amounting to Rs. 3,10,674/-.

6.3. Based on the calculations in Table-VI above, the importer is liable to pay a **differential duty of Rs. 2,57,390/-** (Rs. 568064/- minus Rs. 310674/-) on the mis-declared/undervalued/undeclared goods.

7. 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 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;*

(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.*

8. Outcome of Investigation:

On the basis of specific information regarding the risk of mis-declaration/mis-classification and/or concealment of undeclared goods in the import consignment of M/s. AK

Enterprises, Office No. S-07-47, Upper level, Haw, Plot Number 88 to 91, Road Sector 1, Navi Mumbai – 400706, under Bill of Entry No. Z-3290603 dated 21.08.2026, filed at APSEZ (INAJM6), an investigation was initiated by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra. The investigation revealed significant irregularities in the said import consignment. The examination, conducted on 26.08.2026 under Panchnama, uncovered deliberate mis-declaration in quantity and description, mis-classification and undervaluation of goods, indicating an intent to evade Customs duty. The outcomes of the investigation are as follows:

8.1. Examination and Findings:

The examination of Container No. SNBU8297070 was conducted on 26.08.2026 under Panchnama in the presence of the authorized representative. The examination revealed the following discrepancies in the goods imported by M/s. AK Enterprises under Bill of Entry No. Z-3290603 dated 21.08.2026:

- The importer had declared 6,365 DOZ (76,380 pieces) of Ladies Leggings under CTH 61152990, as detailed in *Table-I above.*
- On examination, only 44,000 pieces (approximately 3,666.67 DOZ) of Ladies Leggings were found, resulting in a shortage of approximately 2,698 DOZ against the declared quantity. The goods are classifiable under CTH 61152990, as detailed in *Table-III above*.
- In addition, 39,800 pieces (approximately 3,317 DOZ) of Women Night Dress were found in the container, which had not been declared in the Bill of Entry. The same are classifiable under CTH 61083210, as detailed in *Table-IV above*.

The goods were also found to have been undervalued, as the re-determined value was substantially higher than the declared assessable value.

8.2. Re-determined Classification and Quantity of the Goods:

The importer had declared 01 item i.e., Ladies Leggings in the said BE. However, during the course of examination, the goods were found mis-declared in terms of quantity. Further, one more item i.e. Women Night Dress was also found during examination. The re-determined Description, Quantity and CTH of the goods is as below:

Sr. No.	Declared Description	Re-determined Description	Declared CTH	Re-determined CTH	Re-determined Qty (Pcs)

1	Ladies Leggings	Ladies Leggings	61152990	61152990	44,000
2	Not Declared in Bill of Entry	Women Night Dress	--	61083210	39,800

8.3. Valuation of the Goods:

The importer had declared the assessable value of the goods at Rs. 11,05,601/-. However, during examination, the goods were found to be undervalued, mis-declared and partly undeclared.

As per the Chartered Engineer's Report (Ref. No. AYK:VAL:03056:2026 dated 14.09.2026), the fair CIF value of the goods actually found was determined at USD 20,949.00 equivalent to Rs. 20,21,578.50/- at the exchange rate of Rs. 96.50 per USD, as detailed in *Table-V above*.

In view of the above discrepancies, the declared value is liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Since suitable comparable import values were not available, and considering the non-standard nature of the goods and absence of reliable domestic market sale prices, the value of the goods was re-determined under Rule 9 of the said Rules by applying the residual method.

8.4 Importability and Policy Compliance:

All the goods found during the examination are freely importable after paying of applicable Customs Duty.

8.5. Re-determination of Duty:

The total re-determined value of the goods comes to Rs. 20,21,578.50/- and the total duty for the said goods comes to Rs. 5,68,064/- instead of the declared duty for the same i.e. Rs. 3,10,674/-. Thus, the importer's mis-declaration/non-declaration and undervaluation resulted in a **differential duty liability of Rs. 2,57,390/-** as detailed in *Table-VI above.*

8.6. Confiscation of Goods and Penal Action:

The importer has, by acts of omission and commission, rendered the goods – found mis-classified/undervalued/mis-declared in description and quantity, with a re-determined assessable value of Rs. 20,21,578.50/-, imported under Bill of Entry No. Z-3290603 dated 21.08.2026 – liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962, and the importer is therefore liable for penalty under Section 112(a)(ii) of the Customs Act,

1962. As the importer has also mis-declared the description and quantity of the goods, the importer is further liable for penalty under Section 114AA of the Customs Act, 1962.

9. Waiver of Show Cause Notice and Personal Hearing:

The importer, M/s. AK Enterprises, Office No. S-07-47, Upper Level, Haw, Plot No. 88 to 91, Road Sector 1, Navi Mumbai – 400706, vide their email dated 16.09.2026, has conveyed their acceptance of the Chartered Engineer's (CE) Report. The importer has further requested waiver of issuance of Show Cause Notice and grant of Personal Hearing in the matter and has requested that the case be decided on merits. The importer has also expressed their willingness to pay the duty, interest, redemption fine and penalty.

10. In view of the above, it appears that:

(i) The declared description, quantity and classification of the goods in the Bill of Entry No. Z-3290603 dated 21.08.2026, as declared in *Table-I above*, are liable to be rejected to the extent of discrepancies noticed during examination, including the presence of undeclared goods, which were not declared in the said Bill of Entry, as detailed in *Table-III and Table-IV* above;

(ii) The total declared assessable value of Rs. 11,05,601/- for the goods under Z-Bill of Entry Z-3290603 dated 21.08.2026 is liable to be rejected; and assessable value of the mis-declared and undeclared imported goods is liable to be re-determined, under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962. The details are as under: -

Description	Declared Value	Re-determined Value
Ladies' Leggings	Rs. 11,05,601 /-	Rs. 6,58,130/-
Women Night Dress	Not Declared	Rs. 13,63,448.50/-
Total	Rs. 11,05,601 /-	Rs. 20,21,578.50/-

(iii) The said Bill of Entry No. Z-3290603 dated 21.08.2026 is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962, with differential duty of Rs. 2,57,390/- as detailed in *Table-VI above*;

(iv) The goods "Women Night Dress" (39,800 pieces) imported vide Bill of Entry No. Z-3290603 dated 21.08.2026, found entirely undeclared and having a re-determined value of Rs. 13,63,448.50/-, are liable for confiscation under Section 111(l) of the Customs Act, 1962;

(v) The goods "Ladies' Leggings" (44,000 pieces) imported vide Bill of Entry No. Z-3290603 dated 21.08.2026, found short in quantity and undervalued vis-à-vis the declaration, having a re-determined value of Rs. 6,58,130/-, are liable for confiscation under Section 111(m) of the Customs Act, 1962;

(vi) The importer, M/s. AK Enterprises, appears liable for penalty under Section 112(a)(ii) of the Customs Act, 1962, in respect of the goods mentioned at (iv) and (v) above;

(vii) The importer, M/s. AK Enterprises, appears liable for penalty under Section 114AA of the Customs Act, 1962.

10.1 Accordingly, an Investigation report 178/2026-27 dated 23.09.2026 has been issued by the SIIB, Mundra Customs.

WRITTEN SUBMISSION AND PERSONAL HEARING

11. The importer, M/s. AK Enterprises, vide their letter dated 28.09.2026, has requested waiver of issuance of Show Cause Notice and grant of Personal Hearing in the matter and has requested that the case be decided on merits.

DISCUSSION AND FINDINGS

12. I have carefully gone through the Investigation Report No. 178/2026-27 dated 23.09.2026 forwarded by SIIB, Custom House, Mundra, the relied upon documents and all other material available on record. I note that M/s. AK Enterprises vide their email dated 16.09.2026 have accepted the Chartered Engineer's valuation report, have requested waiver of Show Cause Notice and Personal Hearing and have expressed willingness to pay the differential duty, interest, redemption fine and penalty. I am satisfied that the principles of natural justice have been duly complied with, and the matter is accordingly being disposed of on merits under the first proviso to Section 124 of the Customs Act, 1962.

12.1 On a careful perusal of the Investigation Report and case records, I find that the following main issues arise for consideration and determination in this case:

(i) Whether the declared description, quantity and classification of the goods covered under Z-Bill of Entry No. 3290603 dated 21.08.2026 declared in Table-I above are liable to be rejected and re-determined in view of the discrepancies found during examination, including the presence of undeclared goods, which were not declared in the said Bill of Entry, as detailed in Table-III and Table-IV above;

(ii) Whether the declared assessable value of **Rs. 11,05,601/-** (Rupees Eleven Lakh Five Thousand Six Hundred and One Only) is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined as **Rs. 20,21,578.50/-** (Rupees Twenty Lakh Twenty-One Thousand Five Hundred and Seventy-Eight and Paise Fifty Only) as per the CE Valuation Report No. AYK:VAL:03056:2026;

(iii) Whether Z-Bill of Entry No. 3290603 dated 21.08.2026 is liable to be re-assessed under Section 17(4) of the Customs Act, 1962 with levy of differential duty of **Rs. 2,57,390/-**;

(iv) Whether the Women Night Dress (39,800 pieces), found entirely undeclared, is liable for confiscation under Section 111(l) of the Customs Act, 1962; and whether the Ladies Leggings (44,000 pieces), found short in quantity and undervalued, are liable for confiscation under Section 111(m) of the Customs Act, 1962; and

(v) Whether penalty is imposable on M/s. AK Enterprises under Sections 112(a)(ii) and 114AA of the Customs Act, 1962.

13. FIRST ISSUE — RE-DETERMINATION OF DESCRIPTION, QUANTITY AND CLASSIFICATION:

13.1 I find that M/s. AK Enterprises filed Z-Bill of Entry No. 3290603 dated 21.08.2026 at M/s. Shoolin Tradelink LLP, SEZ Unit, APSEZ, Mundra, declaring only one item — Ladies Leggings under CTH 61152990, quantity 6,365 DOZ (76,380 pieces) — with an assessable value of Rs. 11,05,601/-. The goods were shipped vide Commercial Invoice No. AKE023/26-27 dated 09.07.2026 by M/s. Pujiang Xinfu Clothing Co., Ltd., China.

13.2 During examination conducted under Panchnama dated 26.08.2026, Container No. SNBU8297070 was found to contain 416 bales with a total of 83,800 pieces of garments. On detailed examination, the goods were found to comprise two distinct types:

(a) Ladies Leggings — 44,000 pieces (approx. 3,667 DOZ): Found in 220 bales (166 bales of 200 pieces + 54 bales of 200 pieces). The declared CTH 61152990 is correct for Ladies Leggings. However, the quantity found (44,000 pieces / approx. 3,667 DOZ) is significantly less than the declared quantity of 6,365 DOZ (76,380 pieces) — a shortage of approximately 2,698 DOZ from the declared quantity.

(b) Women Night Dress — 39,800 pieces (approx. 3,317 DOZ): Found in 196 bales (50 bales of 140 pieces + 80 bales of 200 pieces + 50 bales of 240 pieces + 16 bales of 300 pieces). These goods were not declared in the Bill of Entry at all. Women Night Dress of synthetic fibres is correctly classifiable under CTH 61083210.

13.3 I find that the importer has thus misdeclared the imported goods in two material ways: (a) by grossly overstating the quantity of Ladies Leggings (declared 76,380 pieces;

found only 44,000 pieces); and (b) by entirely suppressing the presence of 39,800 pieces of Women Night Dress in the Bill of Entry. This points to a clear intention to evade Customs duty — the excess duty on the undeclared Women Night Dress being offset by the apparent shortage in the Ladies Leggings declaration.

13.4 The re-determined description, classification and quantity of the goods are as under:

Sr. No.	**Description**	**CTH**	**Re-determined Quantity (Pcs)**	**Approx. DOZ**
1	Ladies Leggings	61152990	44,000	3,667
2	Women Night Dress (undeclared)	61083210	39,800	3,317
Total			**83,800**	**6,983**

13.5 I note that both items of goods are freely importable on payment of applicable Customs duty, and no prohibition is imposed on their import under the Foreign Trade Policy.

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

14.1 I find that since the goods were found to be misdeclared in quantity, description and partly undeclared, the declared assessable value of Rs. 11,05,601/- cannot be accepted as the true and correct transaction value. The declared value pertained only to the declared Ladies Leggings and did not cover the undeclared Women Night Dress at all. Further, even for the Ladies Leggings, the declared per-unit value has to be verified against the actual goods found. The declared value is accordingly liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

14.2 Since suitable comparable import data for the mis-declared and undeclared goods was not readily available for application of Rules 4 to 8 of the CVR, 2007, the assessable value is required to be determined under Rule 9 (Residual Method) of the CVR, 2007.

14.3 The Chartered Engineer Shri Anwar Y. Kukad, Government Approved Valuer, submitted his Valuation Report vide Reference No. AYK:VAL:03056:2026 dated 14.09.2026, determining the CIF value of the goods as under:

Sr. No.	**Description**	**Quantity (Pcs)**	**Unit CIF (USD)**	**Total CIF (USD)**	**Total CIF (Rs.) @ Rs. 96.50/USD**
1	Ladies Leggings	44,000	0.155	6,820.00	6,58,130.00

Sr. No.	Description	Quantity (Pcs)	Unit CIF (USD)	Total CIF (USD)	Total CIF (Rs.) @ Rs. 96.50/USD
2	Women Night Dress	39,800	0.355	14,129.00	13,63,448.50
Total		**83,800**		**20,949.00**	**20,21,578.50**

14.4 The importer has accepted this re-determined value without any objection. I accordingly reject the declared assessable value of Rs. 11,05,601/- under Rule 12 of the CVR, 2007 and re-determine the assessable value at **Rs. 20,21,578.50/-** under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962.

15. THIRD ISSUE — RE-ASSESSMENT:

15.1 I find that on the basis of the re-determined assessable value of Rs. 20,21,578.50/-, the total Customs duty leviable on the imported goods works out as under:

Sr. No.	Description	Assessable Value (Rs.)	BCD @20% (Rs.)	SWS @10% of BCD (Rs.)	IGST @5% (Rs.)	Total Duty (Rs.)
1	Ladies Leggings	6,58,130.00	1,31,626.00	13,162.60	40,145.93	1,84,934.53
2	Women Night Dress	13,63,448.50	2,72,689.70	27,268.97	83,170.36	3,83,129.03
Total		**20,21,578.50**	**4,04,315.70**	**40,431.57**	**1,23,316.29**	**5,68,063.56**

15.2 The importer had self-assessed duty of Rs. 3,10,674/- as per the Bill of Entry. The differential duty accordingly works out to **Rs. 2,57,390/-** (Rupees Two Lakh Fifty-Seven Thousand Three Hundred and Ninety Only) (i.e., Rs. 5,68,064/- minus Rs. 3,10,674/-).

15.3 I accordingly order re-assessment of Z-Bill of Entry No. 3290603 dated 21.08.2026 under Section 17(4) of the Customs Act, 1962 with correct description, quantity, classification and applicable duty as discussed in above para.

16. FOURTH ISSUE — CONFISCATION OF GOODS:

16.1 I find that the imported goods are liable for confiscation on the following grounds:

(a) Women Night Dress — 39,800 pieces, CTH 61083210, re-determined value Rs. 13,63,448.50/-: These goods were found in the container but were not declared in the subject

Bill of Entry. They were not declared in the entry made under the Customs Act, 1962. Goods which are not included in the entry made under the Customs Act, 1962 are liable for confiscation under **Section 111(l)** of the Customs Act, 1962. I accordingly find that 39,800 pieces of Women Night Dress are liable for confiscation under Section 111(l) of the Customs Act, 1962.

(b) Ladies Leggings — 44,000 pieces, CTH 61152990, re-determined value Rs. 6,58,130/-: The importer had declared 6,365 DOZ (76,380 pieces) of Ladies Leggings at a declared assessable value of Rs. 11,05,601/-. However, only 44,000 pieces (approx. 3,667 DOZ) were actually found. The declared quantity overstates the actual goods found and the declared value does not correspond to the re-determined value — the goods do not correspond in respect of value with the entry made in the Bill of Entry. The goods are accordingly liable for confiscation under **Section 111(m)** of the Customs Act, 1962.

16.2 Accordingly, the entire consignment of 83,800 pieces of garments (44,000 pieces of Ladies Leggings + 39,800 pieces of Women Night Dress) covered under Z-Bill of Entry No. 3290603 dated 21.08.2026, Container No. SNBU8297070, at M/s. Shoolin Tradelink LLP, SEZ Unit, APSEZ, Mundra, having total re-determined assessable value of Rs. 20,21,578.50/-, is liable for confiscation under **Sections 111(l) and 111(m)** of the Customs Act, 1962.

16.3 I now consider whether to give the importer an option to pay a redemption fine in lieu of confiscation under Section 125(1) of the Customs Act, 1962. I note that both Ladies Leggings and Women Night Dress are freely importable goods and are not prohibited goods. Section 125(1) of the Customs Act, 1962 mandates that in the case of non-prohibited goods, the adjudicating authority shall give the owner an option to pay a fine in lieu of confiscation. I accordingly give M/s. AK Enterprises an option to redeem the said goods for home consumption on payment of redemption fine under Section 125(1) of the Customs Act, 1962, subject to payment of all applicable customs duty, differential duty and interest.

17. FIFTH ISSUE — PENALTIES:

17.1 Penalty under Section 112(a)(ii) of the Customs Act, 1962:

I find that M/s. AK Enterprises, by misdeclaring the quantity of Ladies Leggings (76,380 pieces declared vs 44,000 pieces found) and by entirely suppressing the presence of 39,800 pieces of Women Night Dress in the Bill of Entry — and by undervaluing the goods (declared Rs. 11,05,601/- vs re-determined Rs. 20,21,578.50/-) — has done acts and omissions which rendered the goods liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962 and resulted in a short levy of Customs duty of Rs. 2,57,390/-. The

goods are dutiable goods and not prohibited goods. M/s. AK Enterprises has accordingly rendered itself liable for penalty under **Section 112(a)(ii)** of the Customs Act, 1962.

17.2 Penalty under Section 114AA of the Customs Act, 1962:

I find that M/s. AK Enterprises caused to be made, signed and used Z-Bill of Entry No. 3290603 dated 21.08.2026 and supporting documents — including the commercial invoice, packing list and Bill of Lading — which were false and incorrect in material particulars, specifically:

(i) The Bill of Entry declared only Ladies Leggings with a quantity of 6,365 DOZ whereas the actual goods comprised both Ladies Leggings (44,000 pieces) and Women Night Dress (39,800 pieces) — an entirely undeclared item;

(ii) The declared quantity of Ladies Leggings (76,380 pieces) was grossly overstated compared to the actual quantity found (44,000 pieces); and

(iii) The declared assessable value of Rs. 11,05,601/- was substantially understated compared to the re-determined value of Rs. 20,21,578.50/-.

The misdeclaration of quantity and the packaging of undeclared Women Night Dress together with the declared Ladies Leggings in a manner designed to avoid detection establishes that these false declarations were made knowingly and intentionally in the transaction of customs business. M/s. AK Enterprises has accordingly rendered itself liable for penalty under **Section 114AA** of the Customs Act, 1962.

18. In view of the aforesaid discussions and findings, I pass the following order:

ORDER

(i) I order re-determination of the description, quantity and classification of the goods covered under Z-Bill of Entry No. 3290603 dated 21.08.2026, as detailed in Table-III and Table-IV above.

(ii) I reject the declared assessable value of **Rs. 11,05,601**/- (Rupees Eleven Lakh Five Thousand Six Hundred and One Only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine the assessable value at **Rs. 20,21,579/-** (Rupees Twenty Lakh Twenty-One Thousand Five Hundred and Seventy-Nine) under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962.

(iii) I order re-assessment of Z-Bill of Entry No. 3290603 dated 21.08.2026 under Section 17(4) of the Customs Act, 1962 in accordance with the re-determined description, classification, quantity, assessable value and duty.

(iv) I order confiscation of all the imported goods i.e. Ladies Leggings (CTH 61152990) and Women Night Dress (CTH 61083210), having total re-determined value Rs. 20,21,579/-, under Section 111(m) and 111(l) of the Customs Act, 1962, respectively. However, I give M/s. AK Enterprises an option to redeem the said goods for home consumption on payment of Redemption Fine of **Rs. 2,00,000/- (Rupees Two Lakh Only)** under Section 125(1) of the Customs Act, 1962.

(v) I impose a penalty of **Rs. 25,000/- (Rupees Twenty Five Thousand Only)** on **M/s. AK Enterprises (IEC: CXPPK4674J)**, Office No. S-07-47, Upper Level, Haw, Plot No. 88 to 91, Road Sector 1, Navi Mumbai – 400706, under Section **112(a)(ii)** of the Customs Act, 1962.

(vi) I impose a penalty of **Rs. 10,000/- (Rupees Ten Thousand Only)** on **M/s. AK Enterprises (IEC: CXPPK4674J)** under Section **114AA** of the Customs Act, 1962.

19. This Order-in-Original is issued without prejudice to any other action that may be taken against M/s. AK Enterprises or any other person under the provisions of the Customs Act, 1962 or any rules/regulations/notifications made thereunder, or under any other law for the time being in force.

Digitally signed by Dipakbhai Zala
Date: 29-09-2026 17:05:12

(DIPAK ZALA)
Additional Commissioner of Customs,
Mundra Customs

To,

M/s. AK Enterprises (IEC-CXPPK4674J)
Office No. S-07-47, Upper Level, Haw,
Plot No. 88 to 91, Road Sector 1,
Navi Mumbai – 400706

Copy to:

1. The Additional Commissioner (SIIB), Customs House, Mundra
2. The Dy./Asstt. Commissioner (RRA/TRC), Customs House, Mundra
3. The Dy./Asstt. Commissioner (EDI), Customs House, Mundra