कार्यालय: प्रधान आयुक्त सीमा शुल्क, मुन्द्रा
सीमा शुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात-370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS,
CUSTOMS HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421
Email ID: group3-mundra@gov.in

A.	File NO.	:	CUS/APR/ASS/3021/2026-Gr 3-O/o Pr Commr –Cus-Mundra
B.	Order-in-Original No.	:	MCH/ADC/ZDC/331/2026-27
C.	Passed by	:	Shri Dipak Zala, Additional Commissioner of Customs, Customs House, AP & SEZ, Mundra
D.	Date of order and Date of issue	:	24.09.2026 24.09.2026
E.	Bill of Entry No.	:	3584693 dated 05.09.2026
F.	SCN F. No. & Date	:	SCN Waived on the request of the importer
G.	Noticee(s)/Party/ Importer	:	M/s. NOVAC TILES AND BATHWARE, Survey No. 47 B-4, 47 K-1 and 47 E-1, Real Plaza-1, 8-A National Highway, Morbi, Gujarat-363642

1. यह अपील आदेश संबन्धित को नि:शुल्कप्रदान 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 सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128A के अंतर्गत प्रपत्रसीए- 1-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-
Any person aggrieved by this Order - in – Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

सीमाशुल्क आयुक्त (अपील),
चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड,
नवरंगपुरा, अहमदाबाद-380 009
THE COMMISSIONER OF CUSTOMS (APPEALS), Ahmedabad
4th Floor, HUDCO Building, Ishwar Bhuvan Road,
Navrangpura, Ahmedabad-380 009

3. उक्त अपील यह आदेश भेजने की दिनांक से 3 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 उपर 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 –

(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 केमदसं॰ -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. अपीलज्ञापनकेसाथड्यूटि/ ब्याज/ दण्ड/ जुर्मानाआदिकेभुगतानकाप्रमाणसंलग्नकियाजानाचाहिये।
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:

M/s. Novac Tiles and Bathware (IEC No. AAZFN8640A) filed Bill of Entry No. 3584693 dated 05.09.2026 at Mundra for home consumption, covering Invoice No. SHONO12082026 dated 13.08.2026 issued by M/s. Chaozhou Shouya Sanitary Ware Co., Ltd., Guangdong, China. The goods were declared as "Ceramic Sanitarywares" under CTH 69101000. The Bill of Entry covered four items and the declared assessable

value was Rs. 17,67,622.76/-, with self-assessed Customs duty of approximately Rs. 5,47,609/-. The details of the imported goods declared in BE is as under:

1.S NO.	2.CTH	3.DESCRIPTION	4.UNIT PRICE	5.QUANTITY	6.UQC	7.AMOUNT
1	69101000	CERAMIC SANITARYWARES-CERAMIC BATHROOM ACCESSORIES (MODEL NO.NCBC21003-NCBC21025) (FOR CERAMIC IND)	29.000000	125.000000	SET	3625.00
2	69101000	CERAMIC SANITARYWARES-CERAMIC BASIN (MODEL NO.NCTT 75 - NCTT1266) (FOR CERAMIC IND)	7.000000	661.000000	SET	4627.00
3	69101000	CERAMIC SANITARYWARES-CERAMIC BATHROOM ACCESSORIES (MODEL NO.NCBC21001-NCBC21022) (FOR CERAMIC IND)	29.000000	175.000000	SET	5075.00
4	69101000	CERAMIC SANITARYWARES-CERAMIC BASIN (MODEL NO.NCTT 81 - NCTT1266) (FOR CERAMIC IND)	7.000000	260.000000	SET	1820.00

1.1 During faceless assessment, a query was raised to the importer requiring submission of catalogue/literature. On scrutiny of the catalogue uploaded in e-Sanchit, goods relating to furniture were noticed which were classifiable under CTH 94036000 attracting BCD @ 20% instead of BCD @ 10% applicable to the declared CTH 69101000. The query specifically recorded mis-declaration and mis-classification.

1.2 In reply, the importer accepted that Item Nos. 1 and 3 were wooden cabinets intended to be fitted as sets in toilets/bathrooms and stated that the overseas supplier had combined the items as sets and classified them under CTH 6910. The importer further accepted CTH 94036000 as the relevant classification and agreed to pay the differential duty.

2. EXAMINATION OF GOODS:

The examination report records that the container number and seal were verified and found intact and that the cargo was opened and examined under the supervision of the departmental officer and in the presence of the Customs Broker's representative. The examination revealed different types and colours of washbasins, wooden bathroom cabinets, washbasins along with wooden bathroom cabinets, and wooden bathroom cabinets fitted with mirrors, lights and motion sensors. The various components/parts of the wooden bathroom cabinets were found packed separately.

2.1 The examination report specifically records that approximately 30% of the cargo comprised wooden bathroom cabinets and wooden bathroom cabinets fitted with mirrors, lights and motion sensors, whereas approximately 70% comprised washbasins by quantity. The examined goods were found to tally with the catalogue uploaded vide IRN 2026090700127863.

3. QUERY AND IMPORTER'S RESPONSE:

The assessment query noted that the goods declared under CTH 69101000 at BCD @ 10% included furniture items classifiable under CTH 94036000 attracting BCD @ 20%. The importer accepted that Item Nos. 1 and 3 were wooden cabinets and accepted CTH 94036000 and payment of differential duty. The importer also requested that the Bill of Entry be processed through PAG for necessary action.

3.1 The material on record therefore establishes, and the importer has admitted, that a part of the consignment was not correctly declared in respect of description and classification. The Importer further submitted vide letter dated 23.09.2026 that the imported cabinets are specifically designed for installation in bathrooms and are not intended for general storage purposes.

3.2 All the cabinets have specially designed cut-outs to accommodate the washbasins and associated plumbing fittings. Their primary purpose is to support the washbasins and conceal the water inlet connections, outlet pipes, and drainage fittings, thereby providing a neat and aesthetically pleasing appearance to the bathroom.

3.3 Due to their specific design, construction, and cut-outs for washbasin installation, these cabinets are not suitable for use as conventional storage purpose.

4. 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.

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

Section 46. Entry of goods on importation:

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

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

(a) The accuracy and completeness of the information given therein;

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

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

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

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

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

SECTION 112. Penalty for improper importation of goods, etc. –

Any person,-

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

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

I. in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty [not exceeding the value of the goods or five thousand rupees, whichever is the greater;

II. in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:

114AA. Penalty for use of false and incorrect material.—
If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.

SECTION 125 provides the Option to pay fine in lieu of confiscation as under:

(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:

***Provided** that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, 3 [no such fine shall be imposed]:*

***Provided** further that, without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.*

(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.]

(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.

5. PERSONAL HEARING AND WRITTEN SUBMISSION

The importer M/s NOVAC TILES AND BATHWARE vide their letter dated 23.09.2026 submitted that the imported cabinets are specifically designed for installation in bathrooms and are not intended for general storage purposes. All the cabinets have specially designed cut-outs to accommodate the washbasins and associated plumbing fittings. Their primary purpose is to support the washbasins and conceal the water inlet connections, outlet pipes, and drainage fittings, thereby providing a neat and aesthetically pleasing appearance to the bathroom. Due to their specific design, construction, and cut-outs for washbasin installation, these cabinets are not suitable for use as conventional storage purpose. Importer has also requested to consider the actual design, intended purpose, and functional characteristics of the imported goods.

5.1 The importer has also stated that it does not wish to avail of a Personal Hearing or insist upon issuance of a Show Cause Notice and has expressed its willingness to pay the applicable differential duty, redemption fine and penalty.

6. DISCUSSION AND FINDINGS

I have carefully gone through the Bill of Entry, the catalogue/literature submitted by the importer, the assessment query and the importer's response thereto, the examination report and the written submission dated 23.09.2026. The importer has expressly requested that the Personal Hearing and issuance of Show Cause Notice be dispensed with and has stated that it is willing to pay the differential duty and applicable fine/penalty. I therefore proceed to decide the matter on the basis of the documents and material available on record, subject to the requirements of Section 122A of the Customs Act, 1962.

6.1 The Bill of Entry contains four items, all declared under CTH 69101000 as ceramic sanitaryware. However, the catalogue submitted during assessment and the subsequent physical examination established that Item Nos. 1 and 3 are wooden

bathroom cabinets/bathroom furniture, including cabinets fitted with mirrors, lights and motion sensors. The importer has also accepted that Item Nos. 1 and 3 are wooden cabinets intended to be fitted as sets in toilets/bathrooms and has accepted CTH 94036000 as the applicable classification. The declared description and classification in respect of these goods are, therefore, not correct.

6.2 The examination report records that approximately 30% of the cargo comprised wooden bathroom cabinets and wooden bathroom cabinets fitted with mirrors, lights and motion sensors, whereas approximately 70% comprised washbasins by quantity. It also records that the various components/parts of the wooden bathroom cabinets were packed separately and that the goods examined tallied with the catalogue uploaded under IRN 2026090700127863.

6.3 The written submission dated 23.09.2026 states that the cabinets are specifically designed for installation in bathrooms, have cut-outs to accommodate washbasins and associated plumbing fittings, and are intended to support the washbasins and conceal water inlet, outlet and drainage fittings. I have taken this submission into consideration. However, the importer itself has accepted that the goods are wooden cabinets and has accepted CTH 94036000. Accordingly, the functional use of the cabinets as bathroom furniture does not alter the classification accepted by the importer in the assessment proceedings.

6.4 In view of the above, I hold that the declared description 'Ceramic Sanitarywares – Ceramic Bathroom Accessories' under CTH 69101000 in respect of Item Nos. 1 and 3 is liable to be rejected. The said goods are appropriately classifiable under CTH 94036000, as accepted by the importer, and are liable to assessment at the applicable rate of duty.

6.5 As regards Item Nos. 2 and 4, the examination report identifies the goods as washbasins. No contrary finding regarding their basic nature or classification is contained in the examination report or other documents presently available. Therefore, in the absence of any evidence to the contrary, no adverse finding is warranted in respect of the washbasins merely because they formed the remaining approximately 70% of the cargo.

7. REJECTION OF DECLARED DESCRIPTION AND CLASSIFICATION OF THE GOODS

I find that the importer, M/s. Novac Tiles and Bathware, has declared all four items in the Bill of Entry No. 3584693 dated 05.09.2026 uniformly as "Ceramic

Sanitarywares – Ceramic Bathroom Accessories" and "Ceramic Sanitarywares – Ceramic Basin" under CTH 69101000. However, during examination, the imported goods were found to comprise different types of washbasins, wooden bathroom cabinets, washbasins along with wooden bathroom cabinets, and wooden bathroom cabinets fitted with mirrors, lights and motion sensors. The examination report further records that approximately 30% of the cargo comprised wooden bathroom cabinets and wooden bathroom cabinets fitted with mirrors, lights and motion sensors, whereas approximately 70% comprised washbasins by quantity**.**

7.1 I further find that the importer, in response to the assessment query, has expressly admitted that Item Nos. 1 and 3 are wooden cabinets intended to be fitted as sets in toilets/bathrooms and has accepted that the appropriate classification of the said goods is CTH 94036000, while also agreeing to discharge the differential duty arising therefrom. The assessment record also specifically records that the goods declared under CTH 69101000 included furniture items classifiable under CTH 94036000, attracting BCD at 20% as against 10% under the declared CTH.

7.2 In view of the foregoing, I hold that the declared description "Ceramic Sanitarywares–Ceramic Bathroom Accessories" under CTH 69101000, insofar as it pertains to Item Nos. 1 and 3, does not correctly represent the nature of the goods actually imported. The said goods, comprising wooden bathroom cabinets and wooden bathroom cabinets fitted with mirrors, lights and motion sensors**,** are not ceramic sanitaryware and are appropriately classifiable under CTH 94036000, in accordance with the nature and functional characteristics of the goods and as also accepted by the importer. Accordingly, the declared description and classification in respect of Item Nos. 1 and 3 are liable to be rejected and the said goods are liable to be reassessed under CTH 94036000 at the applicable rate of duty.

7.3 As regards Item Nos. 2 and 4, which constitute the approximately 70% portion of the cargo by quantity**,** I find that the examination report identifies the goods as ceramic washbasins. No contrary finding regarding their description, nature or classification has been recorded in the examination report or in the other material presently available on record. Therefore, I hold that no adverse finding is warranted in respect of Item Nos. 2 and 4 merely because the said washbasins formed part of the

same consignment in which the approximately 30% portion was found to comprise mis-declared wooden bathroom cabinets. The assessment of Item Nos. 2 and 4 shall, accordingly, be dealt with separately on the basis of their correct description and applicable classification.

7.4 In view of the above findings, I hold that the importer has mis-declared the goods in terms of description. Thereby rendering the goods liable to action under the relevant provisions of the Customs Act, 1962, including recovery of the differential duty and confiscation, wherever applicable.

8. APPLICABILITY OF BIS / OTHER STATUTORY REQUIREMENTS

The assessment query specifically recorded that the applicability of BIS requirements was required to be verified on the basis of examination. The examination report, however, only records that certain wooden bathroom cabinets were fitted with mirrors, lights and motion sensors; it does not record any finding regarding a specific BIS Quality Control Order, BIS licence/certification, non-compliance with any mandatory standard, or any other prohibited/restricted feature.

8.1 The importer is required to comply with all applicable statutory requirements under Section 46(4A) of the Customs Act, 1962. Nevertheless, on the basis of the documents presently available, there is no sufficient factual material to record a finding that the imported goods are liable to confiscation under Section 111(d) on account of violation of a BIS or other prohibition/restriction. Accordingly, no adverse finding on BIS applicability is recorded in the present adjudication. Any specific requirement, if subsequently established from the applicable product specifications or competent authority's record, shall be dealt with in accordance with law.

9. RE-ASSESSMENT AND DIFFERENTIAL DUTY

9.1 Section 17(1) of the Customs Act, 1962 requires the importer to self-assess the duty leviable on imported goods. In the present case, the importer declared Item Nos. 1 and 3 under CTH 69101000 attracting BCD @ 10%, whereas the importer has accepted that the said goods are wooden cabinets classifiable under CTH 94036000

attracting BCD @ 20%. Accordingly, the self-assessment in respect of Item Nos. 1 and 3 is not correct and is liable to re-assessment under Section 17(4) of the Act.

9.2 The assessable values declared for Item Nos. 1 and 3 are Rs. 4,23,029.81 and Rs. 5,92,241.73 respectively, aggregating to Rs. 10,15,271.54. On applying BCD @ 20%, together with applicable SWS and IGST at the rates reflected in the Bill of Entry, the duty payable on these two items works out to approximately Rs. 4,46,313.37 as against the declared duty of approximately Rs. 3,14,531.20, resulting in differential duty of approximately Rs. 1,31,782.17, subject to final system-generated re-assessment and rounding.

Particulars	**Declared Assessment**	**Re-assessment under CTH 94036000**
Assessable Value	10,15,271.54	10,15,271.54
BCD	1,01,527.15	2,03,054.31
SWS @ 10% of BCD	10,152.72	20,305.43
IGST @ 18%	2,02,851.25	2,22,953.63
Total Duty	**3,14,531.12**	**4,46,313.37**
Differential Duty		**1,31,782.25**

9.3 I therefore hold that the Bill of Entry is liable to be re-assessed under Section 17(4) of the Customs Act, 1962, by adopting CTH 94036000 for Item Nos. 1 and 3 and the corresponding applicable rate of duty, with consequential recovery of the differential duty.

10. CONFISCATION OF THE GOODS AND PENAL ACTIONS

It has been proposed that the goods are liable for confiscation under the relevant provisions of Section 111 of the Customs Act, 1962. In this regard, I have carefully considered the Bill of Entry, the assessment query and the importer's reply, the examination report and the other material available on record. The relevant provisions of Section 111, Section 112 and Section 114AA of the Customs Act, 1962 are reproduced below for proper appreciation of the issue.

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

10.1 I find from the examination report that approximately 30% of the cargo comprised wooden bathroom cabinets and wooden bathroom cabinets fitted with mirrors, lights and motion sensors, whereas approximately 70% comprised washbasins by quantity**.** The examination further revealed that the various components/parts of the wooden bathroom cabinets were packed separately. The goods found during examination were also found to tally with the catalogue uploaded by the importer.

10.2 I further find that the importer had declared Item Nos. 1 and 3 as "Ceramic Sanitarywares – Ceramic Bathroom Accessories" under CTH 69101000**.** During assessment, the importer was specifically informed that the catalogue disclosed furniture items classifiable under CTH 94036000. In response, the importer expressly accepted that Item Nos. 1 and 3 were wooden cabinets intended to be fitted as sets in toilets/bathrooms and accepted **CTH 94036000** as the relevant classification and agreed to pay the differential duty.

10.3 In view of the above, I find that Item Nos. 1 and 3, comprising wooden bathroom cabinets and wooden bathroom cabinets fitted with mirrors, lights and motion sensors, were not correctly declared in respect of their description and classification. The goods were declared as ceramic sanitaryware under CTH 69101000, whereas their correct classification is CTH 94036000. Thus, the said goods do not correspond, in respect of their description and classification, with the particulars declared in the Bill of Entry.

10.4 Accordingly, I hold that the said goods are liable to confiscation under Section 111(m) of the Customs Act, 1962**,** as they do not correspond in respect of the particulars declared in the entry made under the Act.

10.5 As regards Section 111(l)**,** I find that, as per the examination findings, approximately 30% of the cargo comprised wooden bathroom cabinets and wooden bathroom cabinets fitted with mirrors, lights and motion sensors, whereas the remaining approximately 70% comprised washbasins by quantity. The said wooden bathroom cabinets were not separately declared as such in the Bill of Entry; rather, Item Nos. 1 and 3 were declared as "Ceramic Sanitarywares – Ceramic Bathroom Accessories" under CTH 69101000. Thus, although the goods were included in the Bill of Entry under a different description and classification, the actual goods constituting the said 30% portion were not correctly included in the entry in their true identity and particulars.

10.6 In view of the above, I find that the wooden bathroom cabinets and wooden bathroom cabinets fitted with mirrors, lights and motion sensors comprised in Item Nos. 1 and 3 were not correctly included in the entry made under the Customs Act, 1962, and therefore fall within the ambit of Section 111(l) of the Customs Act, 1962. The mis-declaration of the goods as ceramic sanitaryware, instead of declaring them as wooden bathroom cabinets classifiable under CTH 94036000, constitutes a material discrepancy in the particulars of the goods entered for import. Accordingly, I hold that the said goods are liable to confiscation under Section 111(l), in addition to Section 111(m) of the Customs Act, 1962.

10.7 From the above, it is evident that the importer has mis-declared the goods in respect of description, classification, valuation, and other particulars. Thus, by these acts of omission and commission, the importer has rendered the subject goods liable for confiscation and also rendered themselves liable for penal action under the provisions of Section 112(a) of the Customs Act, 1962. I find that the importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962, as the goods are dutiable (and not prohibited) and the mis-declaration has resulted in short-levy of duty sought to be evaded.

10.8 As regards the penalty on the importer under Section 114AA of the Customs Act, 1962 is concerned, Section 114AA provides for penal action against any person who 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 business for the purposes of the Act. From the investigation and material on record, it is observed that the importer has filed the Bill of Entry with incorrect declaration in material particulars such as description, and classification. The importer had knowingly and intentionally made/signed/used and/or caused to be made/signed/used the import documents and related declarations which were false or incorrect in these material particulars. Therefore, the importer is liable to penalty under Section 114AA of the Customs Act, 1962.

11. OPTION TO PAY REDEMPTION FINE IN LIEU OF CONFISCATION:

As the impugned goods have been found liable to confiscation under Sections 111(l) & 111(m) of the Customs Act, 1962, it becomes necessary to examine whether redemption fine under Section 125 of the said Act is imposable in lieu of confiscation. The statutory provision 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: Provided that... [provisos omitted for brevity]"*

11.1 A plain reading of the above provision reveals that the imposition of redemption fine serves as an alternative to confiscation, providing the owner of the goods an opportunity to redeem them on payment of a fine, wherever their clearance is not restricted under any policy or statutory provision.

11.2 In the instant case, the goods are dutiable but not restricted under the Customs Tariff Act, 1975 or the Foreign Trade (Development & Regulation) Act, 1992. There

exists no restriction or prohibition under any policy framework which would prevent their clearance. Since the goods are non-prohibited, the mandatory provision under Section 125(1) comes into operation. Accordingly, the importer is entitled to the option of redemption of the confiscated goods on payment of an appropriate fine in lieu of confiscation.

11.3 In view of the foregoing, I find and hold that under Section 125(1) of the Customs Act, 1962, goods declared at sr. 1 & 3 (total value Rs. 10,15,271/-) are eligible for redemption upon payment of a Redemption Fine.

11.4 I further find that the importer has submitted that this is the first occasion on which any such discrepancy has come to notice in respect of their imports, and that no prior instance of similar mis-declaration or proceedings under the Customs Act, 1962 exists against them. I find it appropriate to take this submission into consideration, along with the cooperation extended by the importer during the course of investigation, while determining the quantum of penalty imposable under Sections 112(a)(ii) and 114AA of the Customs Act, 1962.

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

ORDER

(i) I reject the self-assessment in respect of Item Nos. 1 and 3 of Bill of Entry No. 3584693 dated 05.09.2026 under Section 17(1) of the Customs Act, 1962 and order re-assessment thereof under Section 17(4) of the said Act.

(ii) I order to re-assess the Bill of Entry No. 3584693 dated 05.09.2026 under Section 17(4) of the Customs Act, 1962 in respect of Item Nos. 1 and 3, comprising wooden bathroom cabinets/bathroom furniture, are appropriately classifiable under CTH 94036000 instead of the declared CTH 69101000.as per Para (a) and (b) above, and discussions and findings.

(iii) I order to confiscate the goods imported vide Bill of Entry No. 3584693 dated 05.09.2026, having assessable value of **Rs. 10,15,271/- (Rupees Ten Lakhs Fifteen Thousand Two hundred and Seventy One only),** under Sections

111(l) & 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. 1,00,000/- (Rupees One Lakh Only)** under Section 125(1) of the Customs Act, 1962. However, if the importer fails to pay the imposed fine within a period of 120 days from the date of communication of this order, this option shall become void as per Section 125(3) of the Customs Act, 1962, unless an appeal against this orders pending.

(iv) I impose a penalty of **Rs.13,000/- (Rupees Thirteen Thousand only)** upon the importer, under Section 112 a(ii) of the Customs Act, 1962 for differential duty amounting to **Rs.1,31,782.25/-** under 3584693 dated 05.09.2026 by way of mis-declaration.

(v) I impose a penalty of **Rs. 5,000/- (Rupees Five Thousand only)** upon the importer, under Section 114AA of the Customs Act, 1962 for use of false and incorrect material in relation to the import of the goods.

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

Digitally signed by Dipakbhai Zala
Date: 25-09-2026 13:55:53

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

To,
M/s. NOVAC TILES AND BATHWARE,
Survey No. 47 B-4, 47 K-1 and 47 E-1, Real Plaza-1,
8-A National Highway, Morbi, Gujarat-363642

Copy to:
1. The Deputy Commissioner of Customs (RRA/TRC/EDI), Customs House, Mundra.
2. Guard File.