

	<p style="text-align: center;">प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOM HOUSE: MUNDRA, KUTCH MUNDRA PORT & SPL ECONOMIC ZONE, MUNDRA-370421 ई-मेल/ E-Mail: group5-mundra@gov.in</p>	
A	फा. सं./ FILE NO.	CUS/ APR/ ASS/1925/2025-Gr 5-6-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ ADC/ ZDC/307/2025-26
C	द्वारा पारित किया गया PASSED BY	Dipak Zala, Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	03-10-2025
E	जारी करने की तिथि DATE OF ISSUE	03-10-2025
F	कारण बताओ नोटिस सं. एवं तिथि SCN NO. & DATE	Importer requested for SCH & PH Waiver
G	नोटिसी/पार्टी / आयातक NOTICEE/PARTY/ IMPORTER	M/s Maharaja Exim (IEC: BCVPT1940G) Office-302, 3rd Floor, Shree Kuberji Textile Park, Wing-H, Ring Road, Surat, Gujarat – 395 003
H	डिन DIN	20251071MO0000009E5C

1. यह अपील आदेश संबंधित 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 380009”

“The Commissioner of Customs (Appeals), Mundra, 4TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009.”

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 paise only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटी/ 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, where penalty alone is in dispute.

BRIEF FACTS OF THE CASE

As per the NCTC Alert No. 2025-26/IMP/2311 dated 26.06.2025 received through e-mail dated 26.06.2025 Additional Director, General NCTC, it was informed that the consignment of goods imported by the importer namely M/s Maharaja Exim having IEC: BCVPT1940G & registered address at Office-302, 3rd Floor, Shree Kuberji Textile Park, Wing-H, Ring Road, Surat, Gujarat, 395003 was destined to INAJM6 (Mundra SEZ) [M/s Fast Track CFS Pvt. Ltd. (on behalf of Shree Sai Traders, APSEZ, Mundra), Adani Port SEZ, Mundra (a APSEZ Unit at Mundra) and covered under SEZ Z Type B.E. No. 2878528 dated 25.06.2025 which is declared to contain 777 PKG Cartons of JACQUARD MODULE, CURTAINS, BABY STROLER, PRAYER MAT, TASBIH, STEEL CHAIR & TABLE, HOOKAH ACCESSORIES, INCENSE BURNER and FELT(CTH- 56022990). Accordingly, the said consignment was put on hold for 100% examination by SIIB, Customs House, Mundra at CFS All Cargo, Mundra.

2. EXAMINATION OF THE GOODS AND INVESTIGATION CONDUCTED:

2.1 Description of goods as mentioned in the SEZ Bill of Entry No. 2878528 dated 25.06.2025 (Z Type) are as under:

TABLE-1

Bill of Entry No & Date	Containers No	Item No.	CTH	Description of Item	Carton	Quantity in PCS	Unit Price(USD)	Amount(USD)
		1	84481900	JACQUARD MODULE	13	200	0.15	180

Mundra SEZ Bill of Entry No. 2878528 dated 25.06.2025 (Z Type)	BMO U514 5797	2	63 03 99 90	CURTAI NS	5	5	12.3	61.5
		3	87 15 00 10	BABY ST ROLLER	2	2	5.2	10.4
		4	57 05 00 90	PRAYER MAT	5	250	0.26	65
		5	39 26 90 99	TASBIH	1	240	0.05	12
		6	94 03 20 90	STEEL TA BLE	2	2	7.53	15.06
		7	94 03 20 90	STEEL C HAIR	2	2	11.57	23.14
		8	96 14 00 00	HOOKA H ACCES SORIES	32 0	24915	0.13	3238.9 5
		9	85 16 79 90	INCENSE BURNER	32 2	3126	1.5	4689
		10	56 02 29 90	FELT	10 5	105	28.5	2992.5
								11287. 55

2.2 Examination of the goods covered under SEZ Z Type Bill of Entry No. 2878528 dated 25.06.2025 (Bill of Lading No. OOLU2759565200 dated 27.05.2025 & Container No. BMOU5145797) has been done under Examination Report dated 15.07.2025 at the premise of All Cargo CFS, Mundra, in presence of Shri Ahmed Tumbi proprietor of firm M/s Maharaja Exim & Shri Ashok Kumar Giri, Deputy Manager Operations of the All Cargo CFS, Mundra. he weighment slip indicated an excess weight of 320 kg as compared to that declared in the Bill of Lading.

2.3 The details of the goods/consignment found during the examination is summarized as here below:

Table-2

Sr. No.	Item Description	No of Boxes/CTN	Total No of Pcs
1	Jacquard Module	13	1200
2	Curtains	5	5
3	Baby Stroller	2	2
4	Prayer Mat	5	250
5	Tasbih	1	240
6	Steel Table	2	2
7	Steel Chair	2	2
8	Hookah Accessories	320	24915
9	Incense Burner	122	2928
10	Felt	40 (18.5 kg each)	40
11	Decorative Paper	141 (PP bags, 20.4 kg each)	141
12	Cycle	03	03

During the course of examination of the consignment on 15.07.2025, the comparative details of declared goods vis-à-vis the goods actually found were drawn Further, Comparative details declared goods quantity in BE, BL and Packing List and Found quantity during examination on date 15.07.2025. comparative details as per under Table-III.

Table-III

Sr No	Description	Declared Quantity In BE		Found during examination		Remarks
		Cartons	Quantity In Pcs	No Boxes/CTN	of Total No of Pcs	
1	JACQUARD MODULE	13	1200	13	1200	Quantity found as declared
2	CURTAINS	5	5	5	5	
3	BABY STROLLER	2	2	2	2	
4	PRAYER MAT	5	250	5	250	
5	TASBIH	1	240	1	240	
6	STEEL TABLE	2	2	2	2	
7	STEEL CHAIR	2	2	2	2	
8	HOOCAH ACCESSORIES	320	24915	320	24915	
9	INCENSE BURNER	322	3126	122	2928	short
10	FELT	105	105	40 (18.5 kg each)	40	short
11	Decorative Paper	Not declared		141 (PP bags, 20.4 kg each)	141	NOT Declared in BE

12	Cycle	Not declared		3	3	NOT Declared in BE

Thus, apart from declared goods, undeclared items namely 3 cycles and 141 PKG decorative paper were found.

2.5 In view of the above, it is observed that the goods imported by the said Importer vide SEZ Z Type Bill of Entry No. 2878528 dated 25.06.2025 are mis-declared. Accordingly, the assessable value of the imported items declared by the importer under Rule 3 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 ('CV Rules' for sake of brevity) in the SEZ- Z Type B.E as Rs. 9,89,354 [11287.55 USD (CIF)] also appears liable to be rejected in terms of Rule 12 of the Rules, *ibid*. To ascertain the value of cargo, attempts have been made to get the details from the previous bills of entry filed by the importer and as well as NIDB data for similar and identical during the relevant period. However, due to various items without specification and detail, valuation of identical or similar items cannot be ascertained. Accordingly, valuation of the item under import could not be determined in terms of Rule 4 to 8 of the CV Rules, *ibid* and it is found appropriate to determine the valuation of the said items by resorting residual method of valuation provided under Rule 9 of the CV Rules *ibid*. Hence, opinion of the empanelled Chartered Engineer was sought for determination of the assessable value of the goods under import. The empanelled Chartered Engineer Shri Anwar Yusufbhai Kukad has submitted his observations vide report REF.: AYK: VAL: 02586:2025 dated 02.08.2025. The Empanelled CE has ascertained the CIF value of the imported consignment 14103.56 USD as item-wise details mentioned here under:

Table-4

Details of Items, QTY & Price				
Sr No.	Description of items	Unit Price 1 PCS (USD)	Total PCS	Total Price (USD)
1	JACQUARD MODULE CURTAINS	0.25	1200	300
2	CURTAINS	18.5	5	92.5
3	BABY STROLLER	20.25	2	40.5
4	PRAYER MAT	5.25	250	1312.5
5	TASBIH	0.25	240	60
6	STEEL TABLE	12.5	2	25
7	STEEL CHAIR	15	2	30
8	HOOKAH ACCESSORIES	0.2	24915	4983
9	INCENSE BURNER	1.5	2928	4392
10	FELT	28.5	40	1140
11	Cycle New Undeclared	200	3	600
12	Wall Paper- Undeclared	8/Roll	141	1128
	Total Suggestive Value (USD)			14103.5

2.6 Accordingly, as per the valuation report submitted by the Chartered Engineer, the CIF value of the consignment is ascertained to total Rs. 12,36,172/- [14103.5 USD @ Exchange rate of Rs. 87.65 per USD]. Whereas, the importer has declared the total assessable value of the consignment as Rs. 9,89,354 [11287.55 USD (CIF)] in the SEZ Z Type Bill of Entry No 2878528 dated 25.06.2025. Thus, it appears that the subjected consignment has been undervalued to the extent of Rs. 2,46,818/- on account of mis-declaration & undervaluation of the imported goods by the said importer.

2.7 In the instant matter, DTA Bill of Entry has not been filed till date. Here, it is pertinent to mention that as per Rule 48 of SEZ rules, 2006, some of the provisions of Customs Act, 1962 come in picture only after filing of DTA Bill of Entry.

The Rule 47 (4) of the SEZ Rules, 2006 read as under:

(4) Valuation and assessment of the goods cleared into Domestic Tariff Area shall be made in accordance with Customs Act and rules made thereunder.

The Rule 48(2) of the SEZ rules is reproduced below:

“(2) Valuation of the goods and/or services cleared into Domestic Tariff Area shall be determined in accordance with provisions of Customs Act and rules made thereunder as applicable to goods when imported into India”

2.8 Here, it is pertinent to mention that the importer has filed a SEZ WH/Z Type Bill of Entry for Home consumption without any mention of re-export, and during self-assessment, they have levied the applicable BCD instead of recognizing the non-applicability of BCD in the case of re-export. Additionally, it should be noted that when goods are imported for re-export purposes, this must be declared in the import Bill of Entry (BOE). Upon examining the submitted documents, it is clear that the invoice and packing list were issued to the buyer/consignee declared as the importer in the Bill of Entry and the Bill of Lading listed the importer as the consignee.

2.9 Furthermore, a warehouse/Z Type BOE is typically filed when goods are imported and stored in a bonded warehouse without immediate payment of customs duties. The duties are deferred until the goods are either cleared for domestic consumption or re-exported. During the self-assessment process, the importer levied the applicable BCD, which further supports the interpretation that the goods were not intended for re-export. In the case of goods meant for re-export, the BCD would be zero, and this should be explicitly stated. The self-assessment process allows importers to declare the classification and applicable duties on imported goods. It is pertinent to note that the importer filed SEZ WH/Z Type Bill of Entry for Home Consumption without mentioning re-export. During self-assessment, Basic Customs Duty (BCD) was levied, which confirms the intent for DTA clearance and not for re-export, as in case of re-export, BCD would have been Nil. Hence, the goods are clearly intended for DTA clearance.

2.10 Thus, the valuation of the imported items needs to be rejected under Rule 12 of the CVR, 2007 and need to be re-determined. The valuation of all the items under import is required to be re-determined under Rule 9 of the Rules, *ibid* read with Rule 47 (4) and 48 (2) of the SEZ Rules, 2006 by way of valuation report of the Chartered Engineer on the basis of market research as discussed in Para-2.5 above. As per the report submitted by the Chartered Engineer (for CIF Value), the

Assessable Value of the said imported goods is liable to be determined to total Rs. 12,36,172/-.

2.11 Further, the importer vide their letter dated 02.09.2025 submitted that they are agreed with the value ascertained for each of the products, by the empanelled Chartered Engineer as per his report dated 02.08.2025.

3. In view of the above, the item-wise summary of the Goods found during examination and their respective Assessable Value/CIF Value as report of the Empanelled Chartered Engineer is reproduced here below:

Table-5

Sr No.	CTH Declared in Bill of Entry	Appropriate CTH	Goods Description as per examination	Quantity in Total PCS as per Examination Report	Value of goods as ascertained by CE in USD (CIF)	Value of goods as ascertained by CE in INR USD@87.65
1	84481900	84481900	JACQUARD MODULE CURTAINS	1200	300	26295
2	63039990	63039990	CURTAINS	5	92.5	8107.625
3	87150010	87150010	BABY STROLLER	2	40.5	3549.825
4	57050090	57050090	PRAYER MAT	250	1312.5	115040.6
5	39269099	39269099	TASBIH	240	60	5259
6	94032090	94032090	STEEL TABLE	2	25	2191.25
7	94032090	94032090	STEEL CHAIR	2	30	2629.5
8	96140000	96140000	HOOKAH ACCESSORIES	24915	4983	436760
9	85167990	85167990	INCENSE BURNER	2928	4392	384958.8
10	56022990	56022990	FELT	40	1140	99921
11	Not Declared	8712 00 10	Cycle	3	600	52590
12	Not Declared	48142000	Wall Paper	141	1128	98869.2
		Total			14103.5	1236172

3.1 Further, it appears that the item namely "Cycle", imported by the said importer vide the instant consignment and reflected at Sr. No. 11 of the above table, is appropriately classifiable under CTH 87120010 of the Schedule to the Customs Tariff Act, 1975. Likewise, it also appears that the item namely "Wall Paper", imported vide Sr. No. 12 of the above table, is appropriately classifiable under CTH 48142000 of the said Schedule, which specifically covers "Wallpaper and similar wall coverings. Investigation reveals that the item declared as "Wall Paper" is not merely decorative paper but is specifically manufactured and marketed for direct wall application. In terms of HSN Explanatory Notes, the goods fall squarely under CTH 48142000 as "Wallpaper and similar wall coverings

3.2 Further, it is observed that the goods namely "Baby Stroller" are covered under the provisions of the Toys (Quality Control) Order, 2020, which mandates compliance with the Indian Standard IS 9873 (Part 9):2017 – "Safety of Toys: Mechanical and Physical Properties." As per the said QCO, all toys intended for children up to the age of 14 years are required to conform to the prescribed Indian Standards and must obtain BIS certification under Scheme-IV. In this regard, it is noted that the said goods have neither been declared as complying with the above requirements, nor has any valid BIS licence/registration under the provisions of the BIS Act, 2016 been produced in respect of the overseas supplier/manufacture.

3.3 Furthermore, as per Section 15 (1) of the Bureau of Indian Standards Act, 2016 (BIS, 2016) *"No person shall import, distribute, sell, store or exhibit for sale, any goods or article under sub-section (1) of section 14, except under certification from the Bureau"*. In the instant case, import of the said goods "Baby Stroller" (mentioned at Sr. No. 3 of the table -5 above) made by the said importer SEZ Z Type Bill of Entry No. 2878528 dated 25.06.2025 neither found to be having BIS licence/certification nor marked with ISI and BIS license number. Accordingly, import of the subject goods in the instant case appears to be in violation of the provisions of Foreign Trade Policy read with Bureau of Indian Standard Act, 2016. Thus, it appears that the said goods imported without accompanied with BIS licence/certification or marked with ISI and BIS license number, in violation and contrary to condition imposed vide BIS, 2016 read with Quality Control Order Issued by the Government of India, rendering the said goods as 'prohibited' for import into India.

3.4 Further, the total Customs Duty leviable on the goods imported by the said importer under SEZ Z Type Bill of Entry No. 2878528 dated 25.06.2025 (except the items mentioned at Sr. No. 3 of the table No-5 above) is worked out as per worksheet enclosed as Annexure-A to this investigation report. Accordingly, as worked out in Annexure-A, it appears that differential duty amounting to total **Rs. 1,15,734/-** (BCD= Rs. 43362/-, AIDC-74, SWS= Rs. 4344/-, IGST= Rs. 67954/-) is also required to be recovered from the said importer in case of DTA clearance of the said goods.

3.5 As discussed in foregoing paras, the importer has mis-declared the goods in the SEZ Z Type Bill of Entry No. 2878528 dated 25.06.2025. Further, the total assessable value of the consignment is declared as **Rs. 9,89,354/- [11287.55/- USD]** in the said SEZ Z Type Bill of Entry. However, as per the report submitted by the Chartered Engineer the suggestive value of the consignment is **Rs. 12,36,172/-**. Thus, it appears that the subjected consignment has been undervalued to the extent of **Rs.2,46,818/-** on account of mis-declaration of the imported goods by the said importer which also resulted into **differential duty to the tune of total Rs. 1,15,734/-** recoverable from the said importer.

3.6 The said importer vide their letter dated 02.09.2025 also submitted that they are agreed with the value ascertained as per CE report. The importer has also submitted that they do not want any show cause notice or personal hearing in this matter and they are ready to pay whatever duty, penalty, redemption fine or other charges as imposed by the Competent Authority under the provisions of Customs Law.

4. LEGAL PROVISIONS:

4.1 As per **Section 2 (33)** of the Customs Act, 1962 '**Prohibited goods**' means *any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with.*

4.2 As per 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;*

4.3 **SECTION 46** of the Act, prescribes that 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, and such other documents relating to the imported goods as may be prescribed.

4.4 Further, **Section 111** of the Act, prescribes the Confiscation of improperly imported goods, etc. as under

The following goods brought from a place outside India shall be liable for 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 transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54;

(o) any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer;

4.5 Further, **Section 112** of the Act provides the penal provisions for improper importation of goods, etc. which read as under:

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) ..

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 ¹ [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:*

***Provided** that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;]*

4.6 SECTION 124 prescribes the mandatory issuance of show cause notice before confiscation of goods, which read as under:

No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person –

- a. *is given a notice in writing with the prior approval of the officer of Customs not below the rank of an Assistant Commissioner of Customs, informing him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;*
- b. *is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and*

(c) is given a reasonable opportunity of being heard in the matter:

***Provided** that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned be oral.*

***Provided** further that notwithstanding issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.*

4.7 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. OUTCOME OF THE INVESTIGATION:

5.1 From the above discussion, it appears that the importer has filed SEZ Ware House/Z Type Bill of Entry No. 2878528 dated 25.06.2025 for import of goods as mentioned at Table No. 1. Upon investigation, it is noticed that the items under import are mis-declared (description as well as quantity wise) and accordingly mis-classified and undervalued the said goods. Furthermore, the assessable value of the items under import also found as mis-declared as per report from Govt approved empanelled chartered engineer. Therefore, value of the consignments declared by the importer under Rule 3 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 ('CV Rules' for sake of brevity) appears liable to be rejected in terms of Rule 12 of the Rules, *ibid*. Since, the items found during the examination are of unbranded with no specification, the valuation of the same could not be determined in terms of Rule 4 to 8 of the CV Rules, *ibid*. Therefore, valuation of the goods is found appropriate to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid* and hence, opinion of the empanelled Chartered Engineer was sought for determination of the value of the goods under import.

5.2 Further, as per the empanelled Chartered Engineer report, the value of the consignment under import is ascertained to **Rs. 12,36,172/-** against declared value of **Rs. 9,89,354/-**. Thus, it appears that the subjected consignment was undervalued to the tune of to the tune of **Rs.2,46,818/-** on account of mis-declaration & undervaluation of the imported goods by the said importer. Thus, by way of mis-declaration & undervaluation of the items under import, **short levy of the Customs duty to the tune of Rs. 1,15,734/- (BCD= Rs. 43362/-, AIDC-74, SWS= Rs. 4344/-, IGST= Rs. 67954/-)** as worked out at Para-3.8 above has been detected in the present case. It is pertinent to mention that the goods/the items mentioned at Sr. No.3 i.e. "Baby Stroller" are found to be 'prohibited' for import for non-compliance of the BIS Standards, the Customs duty leviable thereon has not been worked out and taken into consideration in the said differential duty.

5.3 Accordingly, it is found that the goods imported by the said importer (as mentioned in Para 2.1 above and para 3 above) having assessable value ascertained to Rs. 12,36,172/- were mis-declared and undervalued in the SEZ Warehouse/Z Type Bill of Entry No. 2878528 dated 25.06.2025 filed by the said importer. The goods were also found to include undeclared items namely Cycles and Wallpaper, which were not reflected in the Bill of Entry. Thus, the said goods (as mentioned in Table-4 at Para 2.5 & Table-5 at Para 3 above) having assessable value of Rs. 12,36,172/- are found liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962

5.4 Further, it is observed that the item "Baby Stroller" (Sr. No. 3 of Table-5 above) is covered under the provisions of the Toys (Quality Control) Order, 2020, which mandates BIS certification as per IS 9873 (Part 9):2017. Since no BIS licence/registration or ISI marking was produced for the said goods, their import is in violation of the provisions of the Foreign Trade Policy read with the Bureau of Indian Standards Act, 2016. Accordingly, the "Baby Stroller" is rendered as

'prohibited goods' for import into India and is liable for confiscation under Section 111(d) and 111(o) of the Customs Act, 1962.

5.5 In view of the above, it appears that the importer has mis-declared the items under import vide SEZ Z Type Bill of Entry No. 2878528 dated 25.06.2025, both in terms of description and value. Therefore, it appears that the importer has contravened the provisions of Section 14 and Section 46 of the Customs Act, 1962 read with Rule 11 of the CVR, 2007 as well as Rule 47(4) & Rule 48(2) of the SEZ Rules, 2006, inasmuch as they failed to declare and assess the correct description and value of the goods in the Customs documents filed by them. These acts of omission and commission on the part of the importer have made the imported goods (as mentioned in Table-4 & Table-5 above, except prohibited Baby Stroller) having re-determined value of Rs. 12,36,172/- liable for confiscation under Section 111(l) & 111(m) of the Act, and have thus rendered the importer liable for penal action under Section 112(a)(ii) of the Customs Act, 1962.

5.6 Furthermore, by mis-declaring the description, quantity as well as value of the goods under import, the importer has also short-levied Customs duty amounting to Rs. 1,15,734/- (BCD = Rs. 43,362/-, AIDC = Rs. 74/-, SWS = Rs. 4,344/-, IGST = Rs. 67,954/-) as detailed in Annexure-A to this Investigation Report. Accordingly, the said differential duty is required to be added into the respective DTA Bill of Entry likely to be filed by the importer.

6. The importer, vide their letter dated 02.09.2025, has submitted that they waive issuance of show cause notice and personal hearing in the matter, and undertake to pay duty, penalty, redemption fine or other charges as imposed by the Competent Authority under the Customs Law.

PERSONAL HEARING AND SUBMISSIONS

7. The importer M/s Maharaja Exim vide letter dated 23.09.2025 has submitted the following:

"

We, M/s. Maharaja Exim, Surat, are the importer of the goods covered under the above-mentioned Bill of Lading and Bill of Entry.

The said container was held by NCTC and thereafter examined by SIIB. The examination of the goods has been completed.

*In this regard, we humbly submit and request your good office to kindly consider the matter on merits and **allow us waiver of issuance of Show Cause Notice (SCN) and Personal Hearing (PH).***

*Furthermore, we humbly request your permission to **allow for the re-export of "BABY STROLER".***

We are agreeable to the assessment as per the examination report and undertake to pay the applicable customs duty and charges as determined by your office.

We sincerely request your kind consideration of our request and oblige."

DISCUSSION AND FINDINGS

8. I have carefully gone through the records of the case, investigation report dated 23.09.2025, valuation report by empanelled Chartered Engineer and the applicable provisions of law. The importer vide their letter dated 23.09.2025 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 declared value of Rs. 9,89,354/- of the consignment covered under Ware House/Z Type **SEZ Bill of Entry No. 2878528 dated 25.06.2025** is liable to be rejected at the time of filing DTA Bill of Entry, under Rule 12 of the CVR, 2007 and required to be re-determined at **Rs. 12,36,172/-** as opined by the CE report at the time of filling of DTA Bill of Entry in terms of Rule 9 of the Rules, *ibid*, read with Rule 47 (4) of the SEZ Rules, 2006;

(ii) Whether the imported goods namely *Baby Stroller* (as mentioned at Sr. No. 3 of Table-5 at Para 3.1 above) valued at **Rs. 3,550/-** are covered under the Toys (Quality Control) Order, 2020, and since no BIS licence/registration has been produced, the same are liable for confiscation under Section 111(d) and 111(o) of the Customs Act, 1962;

(iii) Whether the remaining imported goods (Jacquard Module, Curtains, Prayer Mat, Hookah Accessories, Tasbih, Steel Table, Steel Chair, Incense Burner, Felt, Wall Paper and Cycles) having re-determined value of **Rs. 12,32,622/-** (excluding prohibited Baby Stroller) are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962;

(iv) Whether the imported goods are required to be re-assessed under Section 17(4) of the Customs Act, 1962;

(v) Whether penalty under Section 112(a)(i) of the Customs Act, 1962 is imposable upon the importer in respect of prohibited goods i.e. Baby Stroller, and penalty under Section 112(a)(ii) is imposable in respect of mis-declared and undervalued goods.

9.1 Regarding the first issue, I find that the importer declared the total assessable value of the consignment as Rs. 9,89,354/- in SEZ Z Type Bill of Entry No. 2878528 dated 25.06.2025. However, during examination conducted on 15.07.2025, significant discrepancies were found between declared and actual goods, both in terms of description and quantity.

9.2 I find that apart from declared goods, undeclared items namely 3 cycles and 141 packages of decorative paper/wallpaper were found during examination. The examination report clearly establishes that goods were mis-declared in terms of description, quantity and consequently undervalued.

9.3 Since the goods were found mis-declared and undeclared items were discovered, the value declared by the importer does not appear to be the true transaction value under Section 14 of the Customs Act, 1962 read with Rule 3 of

the Customs Valuation Rules, 2007. Therefore, I hold that the declared value is liable to be rejected under Rule 12 of CVR, 2007.

9.4 I find that due to the unbranded nature of goods without specifications and lack of credible data for similar/identical goods, valuation could not be determined under Rules 4 to 8 of CVR, 2007. Hence, valuation under Rule 9 (residual method) was appropriate.

9.5 Further, I find that the empanelled Chartered Engineer Shri Anwar Yusufbhai Kukad vide report REF.: AYK: VAL: 02586:2025 dated 02.08.2025 determined the CIF value of the consignment as 14,103.56 USD, equivalent to Rs. 12,36,172/-. The importer has accepted this valuation vide their letter dated 02.09.2025.

9.6 Therefore, I find that the declared value of Rs. 9,89,354/- is liable to be rejected under Rule 12 of CVR, 2007 and re-determined at Rs. 12,36,172/- under Rule 9 read with Rule 47(4) and 48(2) of SEZ Rules, 2006.

10.1 Regarding the second issue, I find that during examination, 2 pieces of Baby Stroller were found as declared. However, Baby Stroller falls under the Toys (Quality Control) Order, 2020, which mandates compliance with Indian Standard IS 9873 (Part 9):2017 - "Safety of Toys: Mechanical and Physical Properties."

10.2 I find that as per the Toys (Quality Control) Order, 2020, all toys intended for children up to 14 years require BIS certification under Scheme-IV. The investigation revealed that the imported Baby Stroller neither has BIS licence/certification nor is marked with ISI and BIS licence number.

10.3 Section 15(1) of the Bureau of Indian Standards Act, 2016 states: "No person shall import, distribute, sell, store or exhibit for sale, any goods or article under sub-section (1) of section 14, except under certification from the Bureau." Since the Baby Stroller was imported without required BIS certification in violation of Foreign Trade Policy read with BIS Act, 2016, it is rendered as 'prohibited goods' for import into India.

10.4 Therefore, I find that the Baby Stroller valued at Rs. 3,550/- is liable for confiscation under Section 111(d) and Section 111(o) of the Customs Act, 1962 as prohibited goods imported in violation of statutory requirements.

11.1 Regarding the third issue, I find that the examination conducted on 15.07.2025 established clear discrepancies between declared and actual goods. Apart from declared items, undeclared goods namely 3 cycles and 141 packages of decorative paper/wallpaper were found.

11.2 Section 111(l) of the Customs Act, 1962 provides for confiscation of "any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act." The undeclared cycles and wallpaper clearly fall under this provision.

11.3 Section 111(m) provides for confiscation of "any goods which do not correspond in respect of value or in any other particular with the entry made under this Act." The mis-declaration of goods and undervaluation established

through investigation and CE report brings the goods under this provision.

11.4 For the purpose of confiscation under Section 111(l) and 111(m), I need to determine the value of goods that were mis-declared and undervalued. Since the Baby Stroller (valued at Rs. 3,550/-) is being dealt with separately as prohibited goods under Section 111(d) and 111(o), I exclude its value from this calculation. Therefore, the value of remaining imported goods liable for confiscation under Section 111(l) and 111(m) is Rs. 12,32,622/-. Accordingly, I find that the remaining imported goods (excluding prohibited Baby Stroller) having value of Rs. 12,32,622/- are liable for confiscation under Section 111(l) and Section 111(m) of the Customs Act, 1962.

12.1 Regarding the fourth issue of re-assessment requirement, I find that based on the mis-declaration of goods in terms of description, quantity, and value as established through investigation, the Bill of Entry No. 2878528 dated 25.06.2025 requires re-assessment under Section 17(4) of the Customs Act, 1962.

12.2 I find that the re-assessment shall be based on the re-determined value of Rs. 12,36,172/- and correct classification of goods as per investigation findings and CE valuation report. As per SEZ Rules 47(4) and 48(2), proper valuation and assessment for DTA clearance shall be in accordance with Customs Act and rules, to be implemented when the importer files DTA Bill of Entry for home consumption.

13.1 Regarding the fifth issue, I find that Section 112(a)(i) provides penalty for prohibited goods. Since Baby Stroller having value of Rs. 3,550/- is found to be prohibited goods, penalty under this provision is imposable.

13.2 Section 112(a)(ii) provides penalty for dutiable goods. I find that the mis-declared and undervalued goods with differential duty liability of Rs. 1,15,734/- attract penalty under this provision.

13.3 I find that the investigation clearly establishes that the importer mis-declared goods both in terms of description and quantity and failed to declare cycles and wallpaper. This constitutes wilful omission rendering goods liable to confiscation under Section 111. Therefore, I find that penalty under Section 112(a)(i) is imposable for prohibited Baby Stroller and penalty under Section 112(a)(ii) is imposable for mis-declared and undervalued goods.

14. I find that in the present case, the total value of the impugned goods under SEZ Warehouse/Z Type Bill of Entry No. 2878528 dated 25.06.2025 was re-determined to **Rs. 12,36,172/-** against the declared/self-assessed value of **Rs. 9,89,354/-**. Thus, the subject goods covered under the subject bill of entry were found to be undervalued by an amount of **Rs. 2,46,818/-**, which resulted into additional duty liability of **Rs. 1,15,734/-** (Rupees One Lakh Fifteen Thousand Seven Hundred Thirty Four Only), which I am going to consider for the purpose of imposition of fine and penalty.

15. The importer vide their letter dated 23.09.2025 has requested permission for re-export of the "Baby Stroller". In the present case, since the Baby Stroller is found to

be prohibited goods which require proper BIS certification for import under the Toys (Quality Control) Order, 2020 read with Bureau of Indian Standards Act, 2016 and such certification has not been obtained by the importer, the goods cannot be cleared for home consumption. However, considering the nature of the violation being a regulatory compliance issue concerning mandatory product certification and the importer's specific request for re-export, I find it appropriate to allow re-export of the confiscated Baby Stroller. Section 125 of the Customs Act, 1962 grants discretionary power to the adjudicating authority to allow redemption of confiscated goods upon payment of a fine in lieu of confiscation.

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

ORDER

(i) I order to reject the declared value of **Rs. 9,89,354/-** of the consignment covered under SEZ Warehouse/Z Type Bill of Entry No. 2878528 dated 25.06.2025 under Rule 12 of the Customs Valuation Rules, 2007. I further order that the value be re-determined at **Rs. 12,36,172/-** as per the report of empanelled Chartered Engineer under Rule 9 of CVR, 2007 read with Rule 47(4) and Rule 48(2) of SEZ Rules, 2006, to be applied at the time of filing DTA Bill of Entry;

(ii) I order confiscation of the imported goods namely **Baby Stroller** (2 pieces valued at Rs. 3,550/-) under Section 111(d) and Section 111(o) of the Customs Act, 1962, as these goods are rendered as 'prohibited goods' for import into India due to non-compliance with the Toys (Quality Control) Order, 2020 and absence of mandatory BIS certification under the Bureau of Indian Standards Act, 2016. However, considering the importer's request, I allow the importer the option to release the said confiscated goods **for the purpose of re-export only** under Section 125 of Customs Act, 1962 on payment of Redemption Fine of **Rs. 3,500/-** (Rupees Three Thousand and Five Hundred Only);

(iii) I order confiscation of the remaining imported goods namely **Jacquard Module, Curtains, Prayer Mat, Hookah Accessories, Tasbih, Steel Table, Steel Chair, Incense Burner, Felt, Wall Paper and Cycles** having re-determined value of **Rs. 12,32,622/-** (excluding prohibited Baby Stroller) under Section 111(l) and Section 111(m) of the Customs Act, 1962, as these goods were mis-declared and undervalued in the import documents. However, I give option to the importer to redeem the said goods for **home consumption** under Section 125 of Customs Act, 1962 on payment of Redemption Fine of **Rs. 1,20,000 /-** (Rupees One Lakh Twenty Thousand Only);

(iv) I order to re-assess the Bill of Entry No. 2878528 dated 25.06.2025 under Section 17(4) of the Customs Act, 1962 to confirm the re-determined value of **Rs. 12,36,172/-** at the time of filing DTA Bill of Entry. The differential duty amounting to **Rs. 1,15,734/-** is required to be paid in addition to the duty already self-assessed in the SEZ Z-Type Bill of Entry, at the time of filing DTA Bill of Entry for clearance into Domestic Tariff Area.

(v) I impose **penalty of Rs. 5,000/-** (Rupees Five Thousand only) under Section 112(a)(i) of the Customs Act, 1962 upon the importer M/s Maharaja Exim in

respect of prohibited goods i.e. Baby Stroller;

(vi) I impose **penalty of Rs. 11,000/-** (Rupees Eleven Thousand Only) under Section 112(a)(ii) of the Customs Act, 1962 upon the importer M/s Maharaja Exim.

17. This order is issued without prejudice to any other action that may be taken against the importer or any other person(s) under the provisions of the Customs Act, 1962 and rules/regulations framed thereunder or any other law for the time being in force in the Republic of India.

(Dipak Zala)

Additional Commissioner of Customs
Custom House, Mundra

To,

M/s Maharaja Exim (IEC: BCVPT1940G)
Office-302, 3rd Floor, Shree Kuberji Textile Park,
Wing-H, Ring Road, Surat, Gujarat - 395 003

Copy to:

1. The Deputy Commissioner, SIIB, Customs House, Mundra
2. The Deputy Commissioner, Review, Customs House, Mundra
3. The Deputy Commissioner, TRC, Custom House, Mundra
4. The Deputy Commissioner, EDI, Custom House, Mundra
5. The Deputy Commissioner, SEZ, PUB, Mundra
6. Guard File