कार्यालय: प्रधान आयुक्त, सीमाशुल्क, मुन्द्रा,
सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:
CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421.
PHONE: 02838-271426/271163 FAX :02838-271425
E-mail id- group4-mundra@gov.in

Sr. No.	Particulars / विवरण	Details / विवरण
A	FILE NO. / फ़ाइल संख्या	CUS/APR/INV/676/2026-Gr 4
B	OIO NO. / आदेश संख्या	**MCH/ZDC/ADC/435/2026-27**
C	PASSED BY / जारीकर्ता	Deepak Zala, Additional Commissioner of Customs / दीपक जाला, अपर आयुक्त सीमा शुल्क, Custom House, Mundra
D	DATE OF ORDER / आदेश की तारीख	#ApprovedDate#
E	DATE OF ISSUE / जारी करने की तिथि	#ApprovedDate#
F	SCN No. & Date / कारण बताओ नोटिस क्रमांक	Waiver of Show Cause Notice requested by email dated 24.09.2026 (subject to Section 124 of the Customs Act, 1962)
G	NOTICEE / PARTY / IMPORTER / नोटिसकर्ता / पार्टी / आयातक	M/s SHIVAM ENTERPRISES (IEC: ADXPJ2475L), ANAND LOK HOSPITAL, GORAKHPUR, UTTAR PRADESH–273001

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 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 128 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 ₹ 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 ₹ 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

1. M/s. Shivam Enterprises (IEC: ADXPJ2475L), Anand Lok Hospital, Gorakhpur, Uttar Pradesh–273001 (hereinafter referred to as the "importer"), filed Z-Type Bill of Entry No. 2181259 dated 29.06.2026 for clearance of various goods imported from China, supplied by M/s. Prostar Exports Limited, Hong Kong, under Invoice No. 35303 dated 27.05.2026. The imported consignment, contained in Container No. EGHU9122548, was received at M/s. Shoolin Tradelink LLP, APSEZ, Mundra. The importer declared various goods, namely Staple Pins, Chair Lifter, Torshen Bar, Chairs and Spider Bases, having a total declared assessable value of ₹11,10,550/- (Rupees Eleven Lakh Ten Thousand Five Hundred Fifty only) and total declared Customs duty of ₹4,52,232/- (Rupees Four Lakh Fifty-Two Thousand Two Hundred Thirty-Two only), as detailed in Table–1 below.

TABLE-1:

Sr.	Declared Description	Declared CTH	Declared Quantity	Declared Assessable Value (₹)	Declared Duty (₹)
1	Staple Pins	73170091	11,121 Kgs	4,01,881	1,24,503
2	Chair Lifter	94039900	5,000 Pcs	2,33,485	1,10,905
3	Torshen Bar	83024900	500 Pcs	88,629	33,209
4	Chair	94032090	100 Pcs	1,37,518	65,321
5	Chair	94032090	50 Pcs	72,714	34,539
6	Chair	94032090	20 Pcs	16,925	8,040
7	Chair	94032090	12 Pcs	9,206	4,373
8	Chair	94032090	30 Pcs	34,108	16,201
9	Chair	94032090	30 Pcs	36,509	17,342
10	Spider Base	94039900	500 Pcs	46,220	21,955
11	Spider Base	94039900	500 Pcs	33,355	15,844
	TOTAL			**11,10,550**	**4,52,232**

2. ACTION TAKEN — EXAMINATION FINDINGS

2.1 The SIIB officers examined the goods on 17.07.2026 at M/s Shoolin Tradelink LLP, APSEZ, Mundra, in the presence of the warehouse representative and the authorised representative of the importer, as recorded in Investigation Report No. 181/2026-27. The cargo had already been destuffed. Staple pins in strips weighing 15,000 Kgs were found against 11,121 Kgs declared; quantities of the remaining goods were found as declared.

TABLE-2: DECLARED AND ACTUAL QUANTITIES

Sr.	Description	Declared CTH	Proposed CTH	Declared qty.	Found qty.
1	Staple Pins	73170091	83052000	11,121 Kgs	15,000 Kgs
2	Chair Lifter	94039900	94039900	5,000 Pcs	5,000 Pcs
3	Torshen Bar	83024900	94039900	500 Pcs	500 Pcs
4	Chair	94032090	94032090	100 Pcs	100 Pcs
5	Chair	94032090	94032090	50 Pcs	50 Pcs
6	Chair	94032090	94032090	20 Pcs	20 Pcs
7	Chair	94032090	94032090	12 Pcs	12 Pcs
8	Chair	94032090	94032090	30 Pcs	30 Pcs
9	Chair	94032090	94032090	30 Pcs	30 Pcs
10	Spider Base	94039900	94039900	500 Pcs	500 Pcs
11	Spider Base	94039900	94039900	500 Pcs	500 Pcs

2.2 The excess quantity of staple pins works out to 3,879 Kgs. The investigation further recorded that the staple pins were in strips and that the torsion bars were parts of chairs. These findings form the basis of the proposed amendments to quantity and classification.

3. RE-DETERMINED DESCRIPTION, CLASSIFICATION AND QUANTITY

3.1 The goods declared as staple pins under CTH 73170091 were found to be staples in strips. Heading 7317 excludes staples of heading 8305, while tariff item 83052000 specifically covers staples in strips. Accordingly, on

application of General Rules for Interpretation 1 and 6, the appropriate classification is CTH 83052000.

3.2 The goods declared as Torshen Bar under CTH 83024900 were identified in the investigation as torsion bars for chairs. Their proposed classification as furniture parts under CTH 94039900 is examined against the description of heading 9403 and the applicable section/chapter notes. The precise design and dedicated use should be recorded before the classification is finally confirmed.

3.3 The classification of chair lifters, chairs and spider bases remains as declared in the investigation report. The quantity of staple pins is proposed to be corrected from 11,121 Kgs to 15,000 Kgs.

4. INVESTIGATION AND VALUATION OF GOODS

4.1 The discrepancies in quantity and classification gave rise to doubts concerning the completeness and accuracy of the declared particulars and value. Shri Anwar Y. Kukad, Chartered Engineer and Government-approved Valuer, inspected the goods on 21.07.2026 and submitted Report Ref. AYK:VAL:03010:2026 dated 20.08.2026. The report describes visual inspection, market analysis, enquiries and documents provided by the importer/CHA as the valuation basis.

4.2 Section 14 of the Customs Act, 1962 read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 governs valuation. Rule 3 ordinarily requires adoption of the transaction value, subject to Rule 12 and adjustment under Rule 10. Where the proper officer has reason to doubt the truth or accuracy of the declared value, Rule 12 provides the process for seeking explanation and deciding whether transaction value can be accepted. A higher CE estimate alone does not automatically establish a valid rejection.

4.3 Where Rule 3 cannot be applied, Rules 4 to 9 are to be examined sequentially. The investigation report records non-availability of comparable contemporaneous imports and of sufficient deductive or computed-value information. Subject to a reasoned finding on these matters, residual

valuation under Rule 9 was proposed. The CE report must be considered with due regard to the restrictions and principles of Rule 9.

TABLE-3: COMPARATIVE DECLARED AND CE VALUATION

Sr.	Description	Found qty.	Declared AV (₹)	CE USD/unit	CE AV (₹)	Difference (₹)
1	Staple Pins	15,000 Kgs	4,01,881	0.50	714,750.00	312,869.00
2	Chair Lifter	5,000 Pcs	2,33,485	0.65	309,725.00	76,240.00
3	Torshen Bar	500 Pcs	88,629	8.50	405,025.00	316,396.00
4	Chair	100 Pcs	1,37,518	20.00	190,600.00	53,082.00
5	Chair	50 Pcs	72,714	21.00	100,065.00	27,351.00
6	Chair	20 Pcs	16,925	12.00	22,872.00	5,947.00
7	Chair	12 Pcs	9,206	12.00	13,723.20	4,517.20
8	Chair	30 Pcs	34,108	16.00	45,744.00	11,636.00
9	Chair	30 Pcs	36,509	17.00	48,603.00	12,094.00
10	Spider Base	500 Pcs	46,220	0.97	46,220.50	0.50
11	Spider Base	500 Pcs	33,355	0.70	33,355.00	0.00
	TOTAL		**11,10,550**		**19,30,682.70**	**8,20,132.70**

4.4 The CE assessed the goods at USD 20,259, equivalent to ₹19,30,682.70 at USD 1 = ₹95.30. The declared assessable value was ₹11,10,550. The difference is ₹8,20,132.70 (approximately 73.85%). Part of the difference is attributable to the excess quantity of staple pins, and the balance reflects changes in unit valuation. The importer's email dated 24.09.2026 is recorded in the existing Shivam draft as accepting the CE valuation.

5. RE-DETERMINATION OF ASSESSABLE VALUE AND APPLICABLE DUTY

5.1 On the basis of the examination findings, proposed re-classification of the imported goods and valuation determined by the Chartered Engineer, the total assessable value of the imported goods has been re-determined at

₹19,30,682.70/- as against the declared assessable value of ₹11,10,550/-, resulting in an enhancement of ₹8,20,132.70/-. The item-wise details of the re-determined assessable value and applicable customs duty are provided in Table–4 above.

5.2 The Special Intelligence and Investigation Branch (SIIB), Custom House, Mundra, vide email dated 22.10.2026, has furnished a revised duty calculation sheet (Annexure-A), wherein the total applicable customs duty on the imported goods has been re-determined at ₹8,91,772/- (Rupees Eight Lakh Ninety-One Thousand Seven Hundred Seventy-Two only).

5.3 In view of the above, customs duty amounting to ₹4,39,540/- (Rupees Four Lakh Thirty-Nine Thousand Five Hundred Forty Only) has been short-levied/not levied in respect of the subject imported goods and is required to be recovered from the importer under the applicable provisions of the Customs Act, 1962.

TABLE-4: ITEM-WISE DUTY AS PER REVISED SIIB ANNEXURE-A

Sr. No.	Description of Goods	CE assessable value (₹)	Recalculated duty (₹)
1	Staple Pins	714,750.00	314,204
2	Chair Lifter	309,725.00	147,119
3	Torshen Bar	405,025.00	192,387
4	Chair	190,600.00	90,535
5	Chair	100,065.00	47,531
6	Chair	22,872.00	10,864
7	Chair	13,723.20	6,519
8	Chair	45,744.00	21,728
9	Chair	48,603.00	23,086
10	Spider Base	46,220.50	21,955
11	Spider Base	33,355.00	15,844
	TOTAL	**19,30,682.70**	**8,91,772**

TABLE-5: COMPARATIVE DUTY

Particulars	Amount (₹)
Declared assessable value	11,10,550

CE assessed value	19,30,682.70
Declared duty	4,52,232
Recalculated duty	8,91,772
Differential duty	**4,39,540**

6. OUTCOME OF INVESTIGATION

6.1 The investigation conducted by the officers of SIIB, Custom House, Mundra, in respect of the goods imported by M/s. Shivam Enterprises under Z-Type Bill of Entry No. 2181259 dated 29.06.2026 revealed discrepancies in the declaration of quantity, classification and assessable value of the imported goods. During examination, **15,000 Kgs of Staple Pins** were found against the declared quantity of 11,121 Kgs, resulting in an excess quantity of **3,879 Kgs**. Further, the Staple Pins were found to be in strips, correctly classifiable under CTH 83052000 instead of declared CTH 73170091. Similarly, Torsion Bars intended for use as parts of chairs were found classifiable under CTH 94039900 instead of declared CTH 83024900. Thus, the investigation revealed misdeclaration of quantity and incorrect classification of the imported goods.

6.2 Further, the imported goods were examined and valued by Shri Anwar Y. Kukad, Chartered Engineer and Government Approved Valuer, vide Valuation Report No. AYK:VAL:03010:2026 dated 20.08.2026, wherein the total CIF value of the imported goods was assessed at **₹19,30,683/-** against the declared assessable value of **₹11,10,550/-**, resulting in an enhancement of **₹8,20,133/-**. Accordingly, the investigation proposed rejection of the declared assessable value under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and re-determination of the assessable value under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962. Consequent upon the proposed re-determination of quantity, classification and assessable value, the total customs duty was proposed to be re-assessed at ₹8,91,772/- against the

originally assessed duty of ₹4,52,232/-, resulting in a **proposed differential duty of ₹4,39,540/-**.

6.3 In view of the above, the investigation concluded that the importer had incorrectly declared the quantity and classification of the imported goods and that the declared assessable value required re-determination. Accordingly, the goods affected by misdeclaration appeared liable to confiscation under Sections **111(l) and 111(m)** of the Customs Act, 1962, and the importer appeared liable to penal action under **Section 112** of the said Act. Further, applicability of penalty under **Section 114AA** of the Customs Act, 1962, was also proposed for consideration. The investigation, therefore, proposed reclassification, enhancement of assessable value, re-assessment and recovery of differential customs duty, confiscation of the offending goods and imposition of applicable redemption fine and penalties under the relevant provisions of the Customs Act, 1962

7. RELEVANT LEGAL PROVISIONS

A. RELEVANT PROVISIONS OF THE SEZ ACT, 2005 AND SEZ RULES, 2006

Sections 2(o), 21 and 22 of the Special Economic Zones Act, 2005 address import into SEZs and enforcement/investigation powers in relation to notified offences. Notifications S.O. 2665(E) and S.O. 2667(E), both dated 05.08.2016, are referred to in the investigation report regarding notified offences and authorisation of Customs officers. Their scope, jurisdictional application and procedural compliance must be confirmed from the official notifications and record.

Rule 47(5) of the SEZ Rules, 2006 concerns refund, demand, adjudication, review and appeal by jurisdictional authorities in relation to authorised operations, subject to its exact statutory terms. The adjudicating authority must record how the applicable Customs and SEZ provisions govern this Z-Type Bill of Entry.

B. RELEVANT PROVISIONS OF THE 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;

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.

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;

(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. 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 [1] [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:

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. WAIVER OF NOTICE AND PERSONAL HEARING

The importer vide an email dated 24.09.2026 accepted the value of the goods as re-determined by the Chartered Engineer and requested waiver of Show Cause Notice and Personal Hearing in the matter.

9. IN VIEW OF THE ABOVE FACTS, IT APPEARED THAT: -

(i) The goods imported by M/s. Shivam Enterprises under Z-Type Bill of Entry No. 2181259 dated 29.06.2026 were misdeclared in respect of quantity and classification, inasmuch as 15,000 Kgs of Staple Pins were found against the declared quantity of 11,121 Kgs, resulting in an excess quantity of 3,879 Kgs. Further, Staple Pins in strips and Torsion Bars for chairs appeared correctly classifiable under CTH 83052000 and CTH 94039900, respectively, instead of the declared CTH 73170091 and CTH 83024900.

(ii) The declared assessable value of ₹11,10,550/- appeared liable to rejection under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and the assessable value of the imported goods appeared liable to re-determination at **₹19,30,683/-** under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962, on the basis of the Chartered Engineer's Valuation Report No. AYK:VAL:03010:2026 dated 20.08.2026.

(iii) The imported goods appeared liable to re-assessment under Section 17(4) of the Customs Act, 1962, on the basis of their re-determined quantity, classification and assessable value. Consequently, the differential customs duty of **₹4,39,540/-**, being the difference between the proposed re-assessed duty of ₹8,91,772/- and the originally assessed duty of ₹4,52,232/-, appeared recoverable under the applicable provisions of the Customs Act, 1962.

(iv) Goods at Sr. Nos. 1 to 9 of Table-3 (Staple Pins, Chair Lifter, Torshen Bar and Chairs), with aggregate CE value of ₹18,51,107.20/-, appeared liable to confiscation under Section 111(m) of the Customs Act, 1962, insofar as the material particulars of quantity, classification and/or value were found incorrectly declared. The excess 3,879 Kgs of Staple Pins additionally appeared liable under Section 111(l). Further, inasmuch as the importer had declared 11,121 Kgs of Staple Pins under CTH 73170091, whereas 15,000 Kgs of Staple Pins in strips, classifiable under CTH 83052000, were actually

found during examination. Therefore, the excess quantity of **3,879 Kgs of Staple Pins**, which was not correctly declared in the Bill of Entry, also liable to confiscation under **Section 111(l) of the Customs Act, 1962**. Goods at Sr. Nos. 10 and 11 (Spider Base), with aggregate CE value of ₹79,575.50/-, were excluded from the confiscation proposal as their quantity, classification and value corresponded to the declarations.

(v) The importer, M/s. Shivam Enterprises, having failed to correctly declare the quantity and classification of the imported goods, appeared liable to penal action under **Section 112(a)** of the Customs Act, 1962, for acts or omissions rendering the goods liable to confiscation under Section 111 of the said Act.

(vi) The importer also appeared liable to penal action under **Section 114AA** of the Customs Act, 1962.

10. WAIVER OF SHOW CAUSE NOTICE AND PERSONAL HEARING

The importer, M/s. Shivam Enterprises, vide their email dated 24.09.2026, accepted the examination findings and the valuation suggested in Chartered Engineer's Valuation Certificate No. AYK:VAL:03010:2026 dated 20.08.2026 and requested waiver of Show Cause Notice and Personal Hearing in respect of the subject Z-Type Bill of Entry No. 2181259 dated 29.06.2026. In view of the express waiver, the matter is taken up for decision on the basis of the documentary evidences available on record.

11. DISCUSSION AND FINDINGS

11. I have carefully gone through the records of the case and Investigation Report No. 181/2026-27 submitted by SIIB, Custom House, Mundra. I note that the importer, M/s. Shivam Enterprises, vide email dated 24.09.2026, has requested waiver of the Show Cause Notice and Personal Hearing. Accordingly, taking the said waiver on record and subject to compliance with the requirements of Section 124 of the Customs Act, 1962, I proceed to decide the case on the basis of the documentary evidence available on record. The main issues to be decided are:

(i) First issue:- Whether the description, classification and quantity of the impugned goods covered under Z-Type Bill of Entry No. 2181259 dated 29.06.2026 need to be amended/re-determined as per the physical examination findings, particularly in respect of 15,000 Kgs of Staple Pins found against the declared quantity of 11,121 Kgs, and the classification of Staple Pins in strips and Torsion Bars;

(ii) Second issue:- Whether the declared assessable value of ₹11,10,550/- is liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and re-determined as ₹19,30,683/- under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962, on the basis of the Chartered Engineer's Valuation Report No. AYK:VAL:03010:2026 dated 20.08.2026;

(iii) Third issue:- Whether the goods at Sr. Nos. 1 to 9 of Table-3, having an aggregate re-determined assessable value of ₹18,51,107.20/-, are liable to confiscation under Section 111(m) of the Customs Act, 1962; whether the excess 3,879 Kgs of Staple Pins is additionally liable under Section 111(l); and whether the goods at Sr. Nos. 10 and 11 (Spider Base) should be excluded from confiscation;

(iv) Fourth issue:- Whether the subject Bill of Entry requires re-assessment under Section 17(4) of the Customs Act, 1962, on the basis of the re-determined quantity, classification and assessable value, and whether the proposed differential customs duty of ₹4,39,540/-, being the difference

between the reported re-assessed duty of ₹8,91,772/- and the originally assessed duty of ₹4,52,232/-, is payable by the importer,; and

(v) Fifth issue:- Whether penalties under Sections 112 and 114AA of the Customs Act, 1962, are imposable upon M/s. Shivam Enterprises in respect of the discrepancies noticed during examination and investigation of the imported goods.

12. FIRST ISSUE — RE-DETERMINATION OF DESCRIPTION, CLASSIFICATION AND QUANTITY OF THE IMPORTED GOODS

12.1 Regarding the first issue, I find that M/s. Shivam Enterprises filed Z-Type Bill of Entry No. 2181259 dated 29.06.2026 for clearance of goods declared as Staple Pins, Chair Lifters, Torsion Bars, Chairs and Spider Bases. During examination conducted by the officers of SIIB, Custom House, Mundra, on 17.07.2026, the quantity of Staple Pins was found to be 15,000 Kgs against the declared quantity of 11,121 Kgs, resulting in an excess quantity of 3,879 Kgs.

12.2 I further find that the imported Staple Pins were in strips, classifiable under CTH 83052000 instead of the declared CTH 73170091. Similarly, 500 pieces of Torsion Bars, intended for use as parts of chairs, were found classifiable under CTH 94039900 instead of the declared CTH 83024900. The description and physical characteristics of the goods, as established during examination, are relevant for determining their correct classification under the First Schedule to the Customs Tariff Act, 1975.

12.3 I find that, in terms of Section 46 of the Customs Act, 1962, the importer is required to make a true and correct declaration of the imported goods. However, the importer failed to correctly declare the quantity of Staple Pins and the classification of Staple Pins and Torsion Bars. Accordingly, I hold that the quantity of Staple Pins is liable to be re-determined as **15,000 Kgs** instead of 11,121 Kgs and that Staple Pins in strips and Torsion Bars are liable to be reclassified under **CTH 83052000 and CTH 94039900**, respectively.

13. SECOND ISSUE — REJECTION AND RE-DETERMINATION OF ASSESSABLE VALUE

13.1 Regarding the second issue, I find that the importer declared the total assessable value of the imported goods as ₹11,10,550/-. However, discrepancies were noticed during physical examination in respect of quantity and classification. Accordingly, the goods were referred for valuation to Shri Anwar Y. Kukad, Chartered Engineer and Government Approved Valuer, who submitted Valuation Report No. AYK:VAL:03010:2026 dated 20.08.2026, assessing the total CIF value of the imported goods at **₹19,30,682.70**, rounded to ₹19,30,683/-.

13.2 I find that the value assessed by the Chartered Engineer exceeds the declared assessable value by ₹8,20,133/-. The substantial difference in value, considered along with the discrepancies noticed during examination, raised reasonable doubt regarding the truth and accuracy of the declared value. I further note that the importer, vide email dated 24.09.2026, accepted the Chartered Engineer's valuation and requested waiver of Show Cause Notice and Personal Hearing.

13.3 In terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the declared transaction value may be rejected where the proper officer has reason to doubt its truth or accuracy, subject to compliance with the procedure prescribed under the said Rule. Upon rejection of the transaction value, the assessable value is required to be determined sequentially under Rules 4 to 9 of the said Rules.

13.4 In view of the examination findings, the valuation report and the acceptance conveyed by the importer, I find that the declared assessable value of ₹11,10,550/- is liable to rejection under Rule 12 of the Customs Valuation Rules, 2007, subject to the prescribed requirements. Further, upon establishing that the value cannot be determined under Rules 4 to 8, the assessable value is liable to be re-determined at **₹19,30,683/- under Rule 9** of the said Rules read with Section 14 of the Customs Act, 1962.

14. THIRD ISSUE — CONFISCATION OF GOODS AT SR. NOS. 1 TO 9

14.1 I find that examination disclosed 15,000 Kgs of Staple Pins in strips against 11,121 Kgs declared, an excess of 3,879 Kgs. The proposed classification of Staple Pins is CTH 83052000 instead of 73170091, and that of Torshen Bars for chairs is CTH 94039900 instead of 83024900. The Chartered Engineer determined values above those declared for goods at Sr. Nos. 1 to 9 of Table-3. The aggregate CE value of these nine items is ₹18,51,107.20/-, against aggregate declared value of ₹10,30,975/-.

14.2 Under Section 111(m) of the Customs Act, 1962, imported goods not corresponding in value or other material particulars with the Bill of Entry are liable to confiscation.

14.3 Subject to the valuation and misdeclaration findings above, I find the goods at Sr. Nos. 1 to 9 of Table-3, with aggregate CE value of ₹18,51,107.20/-, liable to confiscation under Section 111(m). The excess quantity of 3,879 Kgs of Staple Pins, already included within the total 15,000 Kgs, is additionally liable to confiscation under Section 111(l).

15. FOURTH ISSUE — RE-ASSESSMENT AND DIFFERENTIAL CUSTOMS DUTY

15.1 Regarding the fourth issue, I find that the importer had self-assessed the subject Bill of Entry under Section 17(1) of the Customs Act, 1962. However, the investigation revealed discrepancies in the quantity and classification of the imported goods, and the declared assessable value was proposed to be re-determined. Therefore, the self-assessment made by the importer requires modification on the basis of the actual quantity, correct classification and re-determined assessable value.

15.2 In terms of Section 17(4) of the Customs Act, 1962, where it is found on verification, examination or otherwise that the self-assessment has not been done correctly, the proper officer may re-assess the duty leviable on

such goods. Accordingly, I find that the subject Bill of Entry is liable to re-assessment under Section 17(4) of the Customs Act, 1962.

15.3 I find that, as per the investigation report, the total customs duty was proposed to be re-determined at **₹8,91,772/-** against the originally assessed duty of **₹4,52,232/-**, resulting in a proposed differential customs duty of **₹4,39,540/-**.

15.4 Accordingly, I hold that Z-Type Bill of Entry No. 2181259 dated 29.06.2026 is liable to re-assessment under Section 17(4) of the Customs Act, 1962, on the basis of the re-determined quantity, classification and assessable value. The differential customs duty payable by the importer has been determined on the basis of reconciliation of duty calculation and the applicable rates of duty.

16. FIFTH ISSUE — IMPOSITION OF PENALTIES UNDER SECTIONS 112 AND 114AA OF THE CUSTOMS ACT, 1962

16.1 I find that the importer, M/s. Shivam Enterprises, filed the subject Bill of Entry declaring 11,121 Kgs of Staple Pins, whereas 15,000 Kgs were actually found during examination. Further, the classification of Staple Pins and Torsion Bars was incorrectly declared. In addition, SIIB proposed enhancement of values for goods at Sr. Nos. 1 to 9 of Table-3 on the basis of redetermination of the value Shri Anwar Y. Kukad, Chartered Engineer and Government Approved Valuer, who submitted Valuation Report No. AYK:VAL:03010:2026 dated 20.08.2026, assessing the total CIF value of the imported goods at **₹19,30,682.70**, rounded to ₹19,30,683/-. I further note that the importer, vide email dated 24.09.2026, accepted the Chartered Engineer's valuation and requested waiver of Show Cause Notice and Personal Hearing.

16.2 I find that Section 112(a) of the Customs Act, 1962, provides for imposition of penalty upon any person who, in relation to any goods, does or omits to do any act which renders such goods liable to confiscation under Section 111 of the said Act. In the present case, the importer, by making

incorrect declarations in respect of quantity, classification and value, committed acts and omissions which rendered the offending goods liable to confiscation. Accordingly, I hold that M/s. Shivam Enterprises is liable to penalty under **Section 112(a) of the Customs Act, 1962**.

16.3 As regards penalty under Section 114AA of the Customs Act, 1962, I find that the said provision applies where a person knowingly or intentionally makes, signs or uses any declaration, statement or document which is false or incorrect in any material particular in the transaction of business under the Act. In the present case, the examination established that the declarations made in the Bill of Entry were incorrect in material particulars relating to quantity and classification.

16.4 Accordingly, while the discrepancies established during examination justify penal action under Section 112(a), and under Section 114AA. I also take note of the importer's email dated 24.09.2026 accepting the Chartered Engineer's valuation and requesting waiver of Show Cause Notice and Personal Hearing, which may be considered while determining the quantum of penalty, without affecting the statutory requirements for imposition of penalty.

17. I note that the importer accepted the Chartered Engineer's valuation and waived Show Cause Notice and Personal Hearing. The said cooperation may be considered as a mitigating factor while quantifying redemption fine and penalties, but does not efface the statutory consequences of the violations established on record.

18. Accordingly, I hold that M/s Shivam Enterprises is liable to penalty under Sections 112 and 114AA of the Customs Act, 1962.

19. In view of the foregoing discussions and findings, I pass the following order:

ORDER

(i) I order that the description, classification and quantity particulars of the impugned goods covered under Bill of Bill of Entry No. 3122079 dated 13.08.2026 (Z-Type) be amended/re-determined in accordance with the physical examination findings recorded above.

(ii) I reject the declared assessable value of **₹11,10,550/- (Rupees Eleven Lakh Ten Thousand Five Hundred Fifty Only)** under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and re-determine the assessable value as **₹19,30,683/- (Rupees Nineteen Lakh Thirty Thousand Six Hundred Eighty-Three Only)** under Rule 9 of the said Rules read with Section 14 of the Customs Act, 1962.

(iii) I order confiscation of the imported goods at Sr. Nos. 1 to 9 of Table-3 (Staple Pins, Chair Lifter, Torshen Bar and Chairs), having aggregate re-determined assessable value of ₹18,51,107.20/-, under Section 111(m) of the Customs Act, 1962. I also order confiscation of excess quantity of 3,879 Kgs of Staple Pins, forming part of the total 15,000 Kgs, under Section 111(l). However, I give the importer an option under Section 125 of the said Act to redeem these goods for home consumption on payment of a redemption fine of **₹ 1,80,000**/- **(Rupees One Lakh Eighty Thousand only),** in addition to the applicable duty and other charges.;

(iv) I order that the self-assessment made under Section 17(1) of the Customs Act, 1962, in respect of Z-Type Bill of Entry No. 2181259 dated 29.06.2026, filed by M/s Shivam Enterprises, be corrected through re-assessment under Section 17(4) of the Customs Act, 1962, on the basis of the re-determined description, classification, quantity and assessable value. The total re-determined Customs duty liability is **₹8,91,772/- (Rupees Eight Lakh Ninety-One Thousand Seven Hundred Seventy-Two only)** as against the originally assessed duty of **₹4,52,232/- (Rupees Four Lakh Fifty-Two Thousand Two Hundred Thirty-Two only)**, resulting in **differential Customs duty of ₹4,39,540/- (Rupees Four Lakh Thirty-Nine Thousand Five Hundred Forty only)**, which shall be paid/recovered in accordance with the applicable provisions of the Customs Act, 1962.

(v) I impose a penalty of **₹43,000/- (Rupees Forty-Three Thousand Only)** upon M/s. Shivam Enterprises under Section 112(a)(ii) of the Customs Act, 1962.

(vi) I impose penalty of **₹ 10,000/- (Rupees Ten Thousand only),** on **M/s. Renew Enterprises** under Section 114AA of the Customs Act, 1962.

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

Digitally signed by Dipakbhai Zala
Date: 24-10-2026 17:58:55

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

To:
M/s Shivam Enterprises (IEC ADXPJ2475L)
Anand Lok Hospital, Gorakhpur, Uttar Pradesh – 273001

Copy to:
1. The Deputy/Assistant Commissioner, (SIIB, RRA, TRC, EDI, APSEZ) Customs House, Mundra.
6. Guard File.