

	<p>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, एमपी और एसईजेड, मुंद्रा, कच्छ-गुजरात -370421</p> <p>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, MP & SEZ MUNDRA, KUTCH-GUJARAT</p> <p>PHONE : 02838-271426/271428</p> <p>FAX :02838-271425</p> <p>Mail: group3-mundra@gov.in</p>	 <p>आज़ादी का अमृत महोत्सव</p>
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A	फा. सं./ FILE NO.	F. No. CUS/APR/INV/512/2025-Gr 3
B	मूल आदेश संख्या/ ORDER-IN-ORIGINAL NO.	MCH/ADC/ZDC/225/2025-26
C	द्वारा पारित किया गया / PASSED BY	Dipak Zala Addl. Commissioner of Customs Mundra Customs House
D	आदेश की तिथि DATE OF ORDER	01.09.2025
E	जारी करने की तिथि DATE OF ISSUE	01.09.2025
F	कारण बताओ नोटिस संख्या & तिथि SCN NUMBER & DATE	SCN and PH Waiver sought vide letter dated 25.07.2025
G	आयातक / नोटिस प्राप्तकर्ता IMPORTER / NOTICEE	M/s. Empiric Trading Co First Floor, 118, Building No-10/54, BD Chamber, Karol Bagh, New Delhi-110005
H	डिन संख्या / DIN NUMBER	20250971MO000050325B

1. यह 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 आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

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

“सीमाशुल्क आयुक्त (अपील),

चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,

नवरंगपुरा, अहमदाबाद 380 009”

“THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA

**HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN
ROAD,
NAVRANGPURA, AHMEDABAD-380 009.”**

3. उक्त अपील यह आदेश 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/- रुपये का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-

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

- (i) उक्त अपील की एक प्रति और A copy of the appeal, and
- (ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं०-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

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

5. अपील ज्ञापन के साथ ड्यूटी/ 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

M/s. Empiric Trading Co (IEC- AAKFE6649R), (hereinafter referred to as ‘Importer’) having address First Floor,118, Building No-10/54, BD Chamber, Karol Bagh, New Delhi-110005 had filed under Z Bill of entry no. 2843878 dated 24.06.2025 for import of the following goods as mentioned in Table-A below. The details of the Z Bill of Entry are as follows: -

Table-A

Sr No.	Goods declared	CTH	Declared Quantity (no. of Pieces)	Declared Weight (in Kgs)	Declared Assessable Value (in Rs.)
1	Plastic Kids Watch	91029990	101472	--	355760.83
2	Ladies Hand bags	42022290	7020	--	123060.6
3	Screen Protector	70072190	41527	1573	372258.32
4	Empty Make UP Bags	42022290	3564	--	56229.23

2. Based upon NCTC alert, the consignment covered under Z bill of entry no. 2843878 dated 24.06.2025 was put on hold for SIIB examination. The examination of above said bill of entry is carried out in Shoolin Trade Link LLP, Mundra on 01.07.2025 in presence of Shri Aditya Singh, Authorised representative of M/s. Empiric Trading Co and Shri Pranjal Singh, Operations Manager of Shoolin Trade Link LLP. The goods were already de-stuffed and examined in warehouse no. 01 of Shoolin Trade Link LLP. The randomly selected corrugated boxes were opened and the goods appear to be as Plastic Kids Watch, Ladies Hand bags, Screen Protector and Empty Make UP Bags as declared by the Importer. The total quantity of the boxes found is 540.

Thereafter, the randomly selected corrugated boxes containing goods were quantified and weighed. The quantity and weight of the goods found during examination were as under:

S. No	Description of Goods	Declared in bill of entry	Found during examination
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.		Total Quantity (no. of pieces)	Total weight (in Kgs)	Total Quantity (no. of pieces)	Total weight (in Kgs)
1	Plastic Kids Watch	101472	--	101470	7745
2	Ladies Hand bags	7020	--	7450	5035
3	Screen Protector	41527	1573	65000	4030
4	Empty Make UP Bags	3564	--	790	1077

The quantity of the declared goods, Plastic Kids Watches, appears to be approximately the same as declared by the importer, except for the items 'Ladies Handbags,' 'Screen Protectors,' and 'Empty Makeup Bags'.

3. To ascertain the correct value of the goods, the opinion of emplaned Chartered Engineer was sought. The CE Ajayrajsinh B. Jhala has submitted his report vide Ref. No. ABJ:INSP:CE:SIIB:EMPIRIC:MX:25-26:01 dated 22.07.2025, wherein he inter-alia mentioned that “the following means/aids/technical reference material has been used for inspecting the goods:

- (i) *Physical & Visual Examination of the cargo and its present quality, condition and status.*
- (ii) *Based on telephonic conversations with the various suppliers, general inspection available on the internet and the market survey of the similar / identical goods in bulk lot quantity.*
- (iii) *B.E. No.: 2843878 dated 24.06.2025 was randomly examined and its present quality.*
- (iv) *All the Documents and proofs submitted by the party and various expenses involved.*

VALUATION TABLE

Sr. No .	Description - As found after examination	No. Of Cartons	Total Quantity (No. Of Pieces) - As found after examination	Total Weight (in KGS.) - As found after examination	Per Unit (No. Of Pieces) Suggestive Average C.I.F. Value by C.E. - Bulk Quantity	Total Suggestive Average C.I.F. Value by C.E. - Bulk Quantity - in USD
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					- in USD (Approx.)	(Approx.)
1)	PLASTIC KIDS WATCH	212	101470	7745	0.12	12176.4
2)	LADIES HAND BAGS	107	7450	5035	0.46	3427
3)	SCREEN PROTECTO R	130	65000	4030	0.092	5980
4)	EMPTY MAKE UP BAGS	55	790	1077	2.06	1627.4
Total Average (Approx.) :		504 CARTON S	174710 PCS	17887 KGS		23210.8 USD

3.2 On the basis of CE report vide Ref No. ABJ:INSP:CE:SIIB:EMPIRIC:MX:25-26:01 dated 22.07.2025, it appears that the importer has undervalued the goods imported under the Z bill of entry no. 2843878 dated 24.06.2025, as the value declared by them are less than the value ascertained by the Chartered Engineer in his above said report. The details of the same are as under:

Table-B

Sr No.	Declared Goods	Declared Assessable Value (in Rs.)	CIF Value as per CE report (in \$)	Assessable Value as per CE report (in Rs.)
1	Plastic Kids Watch	355760.83	12176.4	1067261
2	Ladies Hand bags	123060.6	3427	300376.6
3	Screen Protector	372258.32	5980	524147
4	Empty Make UP Bags	56229.23	1627.4	142641.6
	Total	9,07,309	23,210.8	20,34,426/-

In view of the above, it appears that as per CE report, the total assessable value of the imported goods comes to the tune of Rs.20,34,426/- instead of Rs.9,07,309/- as declared in the Z bill of entry no. 2843878 dated 24.06.2025.

4. Classification of the imported goods:

The goods Empty Make UP Bags appear to be mis-declared in terms of classification of the goods. Therefore, the correct Classification of these goods are required to be ascertained. It appears that the appropriate classification is of the goods imported by the importer is as follows: -

Table-D

Sr. No.	Description of Goods	Declared CTH	Appropriate CTH
1	Empty Make UP Bags	42022290	42021290

4.1 In view of above, it appears that, the importer has mis-classified the imported goods Empty Make UP Bags. Consequently, it appears that the imported goods liable to be re-classified as discussed at para-supra and are also liable to be re-assessed accordingly. Accordingly, the goods appear to be liable for confiscation under Section 111 of the Customs Act, 1962.

5. Further, during the investigation, a Summon dated 25.07.2025 was issued to the importer for recording a statement. In response, statement of Pranjal Singh, S/o Nripendra Singh, authorised representative of M/s. Empiric Trading Co was recorded on 25.07.2025, wherein, he, inter-alia stated that: -

- He stated that he looks after coordination work related to Import of the company with the Customs Department and the firm is engaged in Import and Trading of multiple products.
- He agreed with the observation of the examination officer and stated that the actual number and weight of Ladies Hand bags are 7450 pieces and 5035 kgs respectively in place of declared quantity of 7020 pieces and declared weight of 5035 Kgs. The actual number and weight of screen protector are 65000 pieces and 4030 Kgs respectively in place of declared quantity of 41527 pieces and declared weight of 1573 Kgs. The actual number and weight of Empty Makeup Bags are 790 pieces and 1077 Kgs respectively in place of declared quantity of 3564 pieces and declared weight of 2700 Kgs.
- He agreed with the observation of the examination officer and stated that the Empty Makeup Bags are mis-declared in terms of classification of the goods and gave correct classification of the goods.
- He perused and agreed to the CE report No. No-ABJ:INSP:CE:SIIB:EMPIRIC:MX:25-26:01 dated 22.07.2025 and also agreed to the valuation (23210.8 USD) done in the same.

- He further stated that submit that above said mistakes were un-intentional, therefore we they ready to pay any duty/fine/penalty as per custom procedure and don't want any SCN/PH in the present case.

In view of the above, it appears that, the importer has mis-classified the imported goods "Empty Make UP Bags". Further, the quantity and/or weight of goods "Ladies Hand bags, Screen Protector and Empty Make UP Bags" also appear to be mis-declared and the same was accepted by the authorized representative of the importer in his statement dated 25.07.2025. He also stated that they are ready to pay any duty/fine/penalty as per custom procedure and don't want any SCN/PH in the present case.

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

6.1 Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "the CVR, 2007") provides the method of valuation. Rule 3(1) of the CVRs, 2007 provides that "Subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10". Rule 3(4) *ibid* states that "if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007". Whereas, it appears that, transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Whereas, in the present case, it appears that, the importer has mis-classified the subject goods viz. "Empty Make UP Bags" under different CTHs instead of correct CTH as discussed at Para Supra. Further, the quantity and/or weight of goods i.e. "Ladies Hand bags, Screen Protector and Empty Make UP Bags" have also been found mis-declared. Accordingly, there is reasonable doubt regarding the truth and accuracy of the declared value, and hence is liable to be rejected in terms of Rule 12 of the CVR, 2007. In view of the same the imported goods have been found liable for confiscation under section 111 of the Customs Act, 1962.

6.2 Therefore, the value provided by the Chartered Engineer may be considered as the assessable value of these goods. Therefore, the invoice value of the goods is required to be rejected under Rule 12 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 and re-determined under Rule 9 of the Customs Valuation (Determination of value of imported goods) Rules, 2007. Accordingly, the assessable value of the imported goods appears to be re-determined as Rs.20,34,426/- instead of total assessable value of Rs. Rs.9,07,309/- as declared in the said BE and the duty, as per new CTH and re-determined assessable value, is calculated as under: -

The details of the same are as under:

TABLE-C

Sr No.	Goods Description	CTH declared	Correct CTH	CIF Value Ascertained by CE	BCD@ 10% (in Rs.)	SWS@1. 0%	IGST@ 18%	Total Duty
				(in Rs.)		(in Rs.)	(in Rs.)	(in Rs.)
1	Screen Protector	70072190	70072190	524147	52415	5241	104725	162381
Sr No.	Goods Description	CTH declared	Correct CTH	CIF Value Ascertained by CE	BCD@ 15% (in Rs.)	SWS@1. 5%	IGST@ 18%	Total Duty
				(in Rs.)		(in Rs.)	(in Rs.)	(in Rs.)
2	Ladies Hand Bag	42022290	42022290	300377	45056	4506	62989	112551
3	Empty Make up Bag	42022290	42021290	142642	21396	2140	29912	53448
Sr No.	Goods Description	CTH declared	Correct CTH	CIF Value Ascertained by CE	BCD@ 20% (in Rs.)	SWS@2 %	IGST@ 18%	Total Duty
				(in Rs.)		(in Rs.)	(in Rs.)	(in Rs.)
4	Plastic Kids Watch	91029990	91029990	1067261	213452	21345	234371	469168
	Grand Total			2034426	332320	33232	431996	797548

6.3 From the above **TABLE-C**, it appears that the importer was liable to pay the duty (BCD + SWS + IGST) of Rs.7,97,548/- on the import of declared goods. Thus, the total duty on these declared imported goods comes to the tune of Rs. 7,97,548/- instead of Rs. 3,38,898/- as self-assessed by the importer in the said BE, thus there appears non/short levy of Customs duty amounting to Rs.4,58,650/- [Rs.7,97,548/- (minus) Rs. 3,38,898/-]. Thus, by the act of omission and commission at the level of importer, it appears that, these goods are liable for confiscation under section 111 (l) & (m) of the Customs Act, 1962.

7. RELEVANT LEGAL PROVISIONS:

(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:

2. Definitions. — In this Act, unless the context otherwise requires,
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(o) “**import**” means—

(i) *bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise; or*

(ii) *receiving goods, or services by a Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;*

Section 21: Single enforcement officer or agency for notified offences. —

(1) *The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*

(2) *The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.*

(3) *Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.*

Section 22: Investigation, inspection, search or seizure. —

The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the investigation, inspection, search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:

Provided that no investigation, inspection, search or seizure shall be carried out in a Special Economic Zone by any agency or officer other than those referred to in sub-section (2) or sub-section (3) of section 21 without prior approval of the Development Commissioner concerned:

Provided further that any officer or agency, if so authorised by the Central Government, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit without prior intimation or approval of the Development Commissioner

Notification Nos. 2665(E) and 2667(E) dated 05.08.2016:

- (1) *In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government by Notification No. 2667(E) dated 05.08.2016 issued by the Ministry of Commerce & Industry, has authorized the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned. Under Section 21(1) of the SEZ Act, 2005, the Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
- (2) *The Central Government, by the Notification 2665(E) dated 05.08.2016 has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111, 113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.*

(B) RELEVANT PROVISIONS OF SPECIAL ECONOMIC ZONES RULES, 2006:

47(4) *Valuation and assessment of the goods cleared into Domestic Tariff Area shall be made in accordance with Customs Act and rules made thereunder.*

47 (5) *Refund, Demand, Adjudication, Review and Appeal with regard to matters relating to authorise operations under Special Economic Zones Act, 2005, transactions, and goods and services related thereto, shall be made by the Jurisdictional Customs and Central Excise Authorities in accordance with the relevant provisions contained in the Customs Act, 1962, Central Excise Act, 1944, and the Finance Act, 1994 and the rules made thereunder or the notifications issued thereunder.*

(C) 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 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: -*

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(f) *any dutiable or prohibited goods required to be mentioned under the regulations in an ¹ [arrival manifest or import manifest] or import report which are not so mentioned;*

(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;*

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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,-

- (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:*

Section 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.

(D) Relevant Provisions of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007:

“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. Summary of Investigations Conducted:

8.1 M/s. Empiric Trading Co, had filed Z Bill of Entry No. 2843878 dated 24.06.2025 for import of goods viz. declared i.e. Furthermore, the said goods have also been brought into the APSEZ, Mundra i.e. a place in India from a place outside India by sea. Hence, the same falls under the definition of 'import' as provided in the SEZ Act, 2005.

8.2 Whereas, on the basis of the examination report and investigation carried out in this regard, the quantity (in respect of number of pieces) and/ or weight of goods i.e. "Ladies Hand bags, Screen Protector, Empty Make UP Bags" have been found mis-declared. Further, the importer has also mis-classified the goods i.e. "Empty Make UP Bags" under different CTHs as discussed at para-supra. These above stated facts have also been admitted by the importer in their statement dated 25.07.2025. Further, the imported goods are also found undervalued in view of the report submitted by the Chartered Engineer and hence are required to be re-assessed on the basis of CE report under Rule 9 of the CVR, 2007. Whereas, accordingly, it appears that, the importer has failed to declare true and correct CTH as well as assessable value of the goods imported vide the said BE and hence, the cargo is liable for confiscation under Section 111 (l) and (m) of the Customs Act, 1962.

8.3 Accordingly, the assessable value of the imported goods appears to be re-determined as Rs. 20,34,426/- as per CE report. Accordingly, total duty on these imported goods comes to the tune of Rs.7,97,548/- as discussed at para-supra instead of Rs.3,38,898/- as self-assessed by the importer in the said BE, thus there appears non/short levy of Customs duty amounting to Rs.4,58,650/- [Rs.7,97,548/- (minus) Rs. 3,38,898/-]. Thus, by these act of omission and commission at the level of importer, it appears that, the importer has contravened the provisions of Section 46 and Section 17 of the Customs Act, 1962, in as much as, they failed to make correct and true declaration and information to the Customs Officer in the form of Bill of Entry and also failed to assess their duty liability correctly and hence are liable for penalty under Sections 112(a)(ii) of the Customs Act, 1962. Further, importer has knowingly and intentionally used Bill of Lading, invoices and packing list while filing Bill of Entry, these documents contain incorrect or false material particulars regarding the quantity, and description of the goods imported by them. Accordingly, it appears that the importer has rendered themselves liable for penalty under Section 114AA of the Customs Act, 1962

The relevant portion of said provisions is as under:

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. –

(1) The importer of any goods, other than goods intended for transit or transshipment, shall make entry thereof by presenting electronically on the customs automated system to the proper officer a bill of entry for home consumption or warehousing in such form and manner as may be prescribed:

8.4 The importer vide letter dated 25.07.2025 informed that they do not want any SCN and PH in the matter and are ready to pay duty, interest, fine & penalty, if arises. Also informed that they will not file any application for refund claim & appeal.

9. In view of the above facts, it appears that –

- i. The classifications of the goods, viz. “Empty Make UP Bags”, as declared by the importer in the Z Bill of Entry No. 2843878 dated 24.06.2025 are liable to be rejected and the goods are liable to be re-classified as discussed at para 4 to 4.1 of this IR.
- ii. The total assessable value of the imported goods is liable to be re-determined as Rs. 20,34,426/- (*Rupees Twenty Lakh Thirty Four thousand and Four Hundred and Twenty Six Only*), as discussed at para-supra of this IR instead of Rs.9,07,308.98 /- as declared in the Z Bill of Entry No.2843878 dated 24.06.2025, under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.
- iii. The Total Customs duty involved in the imported goods comes to Rs.7,97,548/- (*Rupees Seven Lakh Ninety-Seven Thousand Five Hundred and*

Forty-Eight Only) as discussed at Para 6.1 to 6.3 of this IR, instead of Rs.3,38,898/- as declared in the BE.

iv. The Z bill of entry no.2843878 dated 24.06.2025 is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962.

v. The goods having re-determined value of Rs. Rs.20,34,426/- have been imported by way of mis-declaration in contravention of Section 46 of the Customs Act, 1962 and are therefore liable for confiscation under Section 111 (l) & (m) of the Customs Act, 1962.

vi. The importer i.e., M/s. Empiric Trading Co are liable for Penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962 for the import of goods by way of mis-declaration.

7. Discussions and Findings

7.1 I have carefully gone through the Investigation report dated 21.08.2025 issued by Deputy Commissioner of Customs (SIIB), Mundra Customs House and other records of the case. I find that Importer M/s Empiric Trading Co vide letter dated 25.07.2025 has requested for waiver of issuance of Show Cause Notice and personal hearing. Hence, I proceed to decide the case on the basis of the documentary evidences available on records. The main issues before me in this case are to be decided as mentioned below:

a) Whether classifications of the goods, viz. "Empty Make UP Bags", as declared by the importer in the Z Bill of Entry No. 2843878 dated 24.06.2025 is liable to be rejected and the same is liable to be re-classified under 42021290 as discussed at para 4 to 4.1.

b) Whether the total assessable value of the imported goods is liable to be re-determined as Rs. 20,34,426/- (*Rupees Twenty Lakh Thirty-Four thousand and Four Hundred and Twenty-Six Only*), as discussed at para-supra of this IR instead of Rs.9,07,308.98 /- as declared in the Z Bill of Entry No.2843878 dated 24.06.2025, under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

c) Whether the total Customs duty involved in the imported goods comes to Rs.7,97,548/- (*Rupees Seven Lakh Ninety-Seven Thousand Five Hundred and Forty-Eight Only*) instead of Rs.3,38,898/- as declared in the BE.

d) Whether Z Bill of Entry No. 2843878 dated 24.06.2025 is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 196.

e) Whether goods having re-determined value of Rs. Rs.20,34,426/- have been imported by way of mis-declaration in contravention of Section 46 of the Customs Act, 1962 and are therefore liable for confiscation under Section 111 (l) & (m) of the Customs Act, 1962.

f) Whether the importer i.e., M/s. Empiric Trading Co are liable for Penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962 for the import of goods by way of mis-declaration.

7.2 I find that on basis of specific intelligence, consignment imported under Bill of Entry No. 2843878 dated 24.06.2025 was put on hold by SIIB, Mundra for detailed examination. The details of goods as declared in Bill of Entry is as follows:

Sr No.	Goods declared	CTH	Declared Quantity (no. of Pieces)	Declared Weight (in Kgs)	Declared Assessable Value (in Rs.)
1	Plastic Kids Watch	91029990	101472	--	355760.83
2	Ladies Hand bags	42022290	7020	--	123060.6
3	Screen Protector	70072190	41527	1573	372258.32
4	Empty Make UP Bags	42022290	3564	--	56229.23

The goods were examined by officers of SIIB in presence of authorized person of Importer. The total quantity found were 540 corrugated boxes. The quantity and weight of the goods found during examination were as under:

S. No.	Description of Goods	Declared in bill of entry		Found during examination	
		Total Quantity (no. of pieces)	Total weight (in Kgs)	Total Quantity (no. of pieces)	Total weight (in Kgs)
1	Plastic Kids Watch	101472	--	101470	7745

2	Ladies Hand bags	7020	--	7450	5035
3	Screen Protector	41527	1573	65000	4030
4	Empty Make UP Bags	3564	--	790	1077

7.3 I find that quantity of the declared goods, Plastic Kids Watches, found to be approximately the same as declared by the importer, However, for the items 'Ladies Handbags,' 'Screen Protectors,' and 'Empty Makeup Bags' quantity found to be different.

7.4 I find that item Empty Make UP Bags found to be mis-declared in terms of classification of the goods. Therefore, the correct classification of these goods are required to be ascertained. The appropriate classification is of the goods imported by the importer is as follows: -

Sr. No.	Description of Goods	Declared CTH	Appropriate CTH
1	Empty Make UP Bags	42022290	42021290

4202

- **Trunks, suit cases, vanity-cases, executive cases, brief-cases, school satchels and similar containers**

420212 -- With outer surface of plastics or of textile materials

42021290 --- Other

7.5. I find that, in the present case, there were reasonable doubts regarding the truth and accuracy of the declared value as the goods have been found to be mis-declared in terms of quantity, description and classification, and hence the transaction value is rejected in terms of Rule 12 of the CVR, 2007 and needs to be re-determined in terms of Rule 4-9 of the CVR 2007. Efforts were made to find out the correct assessable value of the imported goods. It was observed that the imported goods were found in different variety, description, specification and quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data extracted with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value could not be determined under Rules 4 and 5 of CVR, 2007. As per Rule 6 *ibid*, if the value cannot be determined under Rules 3, 4 and 5 same shall be determined under the provisions of Rule 7 or when

same cannot be determined under that rule then under Rule 8. As the imported goods were found to be non-standard, the sale price of identical or similar goods was not available in the domestic market as the goods are miscellaneous in nature and found in different variety, description, specification, model, brand, make, sizes and quality, therefore, determination of transaction value under Rule 7 of CVR, 2007 was not possible. As substantial data related to the cost or value of materials and fabrication or other processing employed in producing the imported goods required to compute the value under Rule 8 is also not available. Therefore, valuation of the impugned goods could not be ascertained under Rule 8 of CVR, 2007. Hence, valuation of the goods is 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.

The CE Ajayrajsinh B. Jhala has submitted his report vide Ref. No. ABJ:INSP:CE:SIIB:EMPIRIC:MX:25-26:01 dated 22.07.2025,

VALUATION TABLE

Sr. No.	Description - As found after examination	No. Of Cartons	Total Quantity (No. Of Pieces) - As found after examination	Total Weight (in KGS.) - As found after examination	Per Unit (No. Of Pieces) Suggestive Average C.I.F. Value by C.E. - Bulk Quantity - in USD (Approx.)	Total Suggestive Average C.I.F. Value by C.E. - Bulk Quantity - in USD (Approx.)
1)	PLASTIC KIDS WATCH	212	101470	7745	0.12	12176.4
2)	LADIES HAND BAGS	107	7450	5035	0.46	3427
3)	SCREEN PROTECTOR	130	65000	4030	0.092	5980
4)	EMPTY MAKE UP BAGS	55	790	1077	2.06	1627.4

Total Average (Approx.) :	504 CARTONS	174710 PCS	17887 KGS		23210.8 USD
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7.6 I find that on the basis of CE report vide Ref No. ABJ:INSP:CE:SIIB:EMPIRIC:MX:25-26:01 dated 22.07.2025, it can be concluded that the importer has undervalued the goods imported under the Z bill of entry no.2843878 dated 24.06.2025, as the value declared by them are less than the value ascertained by the Chartered Engineer in his above said report. The details of the same are as under:

Sr No.	Declared Goods	Declared Assessable Value (in Rs.)	CIF Value as per CE report (in \$)	Assessable Value as per CE report (in Rs.)
1	Plastic Kids Watch	355760.83	12176.4	1067261
2	Ladies Hand bags	123060.6	3427	300376.6
3	Screen Protector	372258.32	5980	524147
4	Empty Make UP Bags	56229.23	1627.4	142641.6
	Total	9,07,309	23,210.8	20,34,426/-

7.7 Further I find that it is evident that the importer has attempted to evade payment of duties and taxes by mis-declaring, mis-classifying and undervaluing the imported goods. The assessable value of the imported goods has been re-determined as Rs.20,34,426/- instead of total declared assessable value of Rs. Rs.9,07,309/- as declared in the said BE and the duty, as per new CTH and re-determined assessable value, is calculated as under: -

The details of the same are as under

Sr No.	Goods Description	CTH declared	Correct CTH	CIF Value Ascertained by CE	BCD@ 10% (in Rs.)	<u>SWS@1.0%</u>	IGST@ 18%	Total Duty
				(in Rs.)		(in Rs.)	(in Rs.)	(in Rs.)
1	Screen Protector	70072190	70072190	524147	52415	5241	104725	162381

Sr No.	Goods Description	CTH declared	Correct CTH	CIF Value Ascertained by CE	BCD@ 15% (in Rs.)	SWS@1.5%	IGST@ 18%	Total Duty
				(in Rs.)		(in Rs.)	(in Rs.)	(in Rs.)
2	Ladies Hand Bag	42022290	42022290	300377	45056	4506	62989	112551
3	Empty Make up Bag	42022290	42021290	142642	21396	2140	29912	53448
Sr No.	Goods Description	CTH declared	Correct CTH	CIF Value Ascertained by CE	BCD@ 20% (in Rs.)	SWS@2%	IGST@ 18%	Total Duty
				(in Rs.)		(in Rs.)	(in Rs.)	(in Rs.)
4	Plastic Kids Watch	91029990	91029990	1067261	213452	21345	234371	469168
	Grand Total			2034426	332320	33232	431996	797548

From the above **TABLE-C**, it appears that the importer was liable to pay the duty (BCD + SWS + IGST) of Rs.7,97,548/- on the import of declared goods. Thus, the total duty on these declared imported goods comes to the tune of Rs. 7,97,548/- instead of Rs. 3,38,898/- as self-assessed by the importer in the said BE, thus there appears non/short levy of Customs duty amounting to Rs.4,58,650/- [Rs.7,97,548/- (minus) Rs. 3,38,898/-]. Thus, by the act of omission and commission at the level of importer, it appears that, these goods are liable for confiscation under section 111 (l) & (m) of the Customs Act, 1962.

7.8 I find that statement of Pranjal Singh, S/o Nripendra Singh, Authorised representative of M/s. Empiric Trading Co was recorded on 25.07.2025, wherein, he, inter-alia stated that he looks after coordination work related to Import of the company with the Customs Department and the firm is engaged in Import and Trading of multiple products. He agreed with the observation of the examination

officer and stated that the actual number and weight of Ladies Hand bags are 7450 pieces and 5035 kgs respectively in place of declared quantity of 7020 pieces and declared weight of 5035 Kgs. The actual number and weight of screen protector are 65000 pieces and 4030 Kgs respectively in place of declared quantity of 41527 pieces and declared weight of 1573 Kgs. The actual number and weight of Empty Makeup Bags are 790 pieces and 1077 Kgs respectively in place of declared quantity of 3564 pieces and declared weight of 2700 Kgs. He agreed with the observation of the examination officer and stated that the Empty Makeup Bags are mis-declared in terms of classification of the goods and gave correct classification of the goods. He perused and agreed to the CE report No. No-ABJ:INSP:CE:SIIB:EMPIRIC:MX:25-26:01 dated 22.07.2025 and also agreed to the valuation (23210.8 USD) done in the same. He further stated that submit that above said mistakes were un-intentional, therefore we they ready to pay any duty/fine/penalty as per custom procedure and don't want any SCN/PH in the present case.

7.9 I find that the assessable value of the imported goods is re-determined as Rs. 20,34,426/- as per CE report instead of Rs.9,07,309/- declared in BE. Accordingly, total duty on these imported goods comes to the tune of 7,97,548/- instead of Rs. 3,38,898/- as self-assessed by the importer in the said BE, thus there appears non/short levy of Customs duty amounting to Rs.4,58,650/- [Rs.7,97,548/- (minus) Rs. 3,38,898/-]

7.10 From above discussions, it is clear and evident that the quantity (in respect of number of pieces) and/ or weight of goods i.e. "Ladies Hand bags, Screen Protector, Empty Make UP Bags" have been found mis-declared. Further, the importer has also mis-classified the goods i.e. "Empty Make UP Bags" as discussed at para-supra. These above stated facts have also been admitted by the importer in their statement dated 25.07.2025. Further, the imported goods are also found undervalued in view of the report submitted by the Chartered Engineer and hence are required to be re-assessed on the basis of CE report under Rule 9 of the CVR, 2007. The assessable value of the imported goods has been re-determined as Rs. 20,34,426/- as per CE report. Accordingly, total duty on these imported goods comes to the tune of Rs.7,97,548/- as discussed at para-supra instead of Rs.3,38,898/- as self-assessed by the importer in the said BE, thus there appears non/short levy of Customs duty amounting to Rs.4,58,650/- [Rs.7,97,548/- (minus) Rs. 3,38,898/-]. **Section 17 (1) & Section 2 (2) of the Customs Act, 1962 read with CBIC Circular No. 17/2011- Customs dated 08.04.2011**, cast a heightened responsibility and onus on the importer to determine duty, classification etc. by way of self-assessment. The importer, at the time of self-assessment, is required to ensure that he declared the correct classification, country of origin, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of Entry. Whereas, accordingly, the importer has failed to declare true and correct CTH,

quantity as well as assessable value of the goods imported vide the said BE and hence, the cargo is liable for confiscation under Section 111 (l) and (m) of the Customs Act, 1962 Further Importer has also rendered themselves liable for penalty under Section 112 (a) (ii) of the Customs Act, 1962. which stipulates that any person who, in relation to any dutiable 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 will be liable for penalty for improper importation of goods. Further, importer has knowingly and intentionally used Bill of Lading, invoices and packing list while filing Bill of Entry, these documents contain incorrect or false material particulars regarding the quantity, and description of the goods imported by them. Accordingly, the importer has rendered themselves liable for penalty under Section 114AA of the Customs Act, 1962 which stipulates that if a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or documents which is false or incorrect in any material particular in the transaction of any businesses for the purpose of this Act would be liable for penalty.

8. In view of the above discussions, I pass the following order:

ORDER

8.1 I hold that classifications of the goods, viz. "Empty Make UP Bags", as declared by the importer in the Z Bill of Entry No. 2843878 dated 24.06.2025 are liable to be rejected and the goods are liable to be re-classified under 42021290 as discussed at para 7.4.

8.2 I hold that the declared assessable value of the imported goods i.e. **Rs. 9,07,309/-** (*Rupees Nine Lakh Seven Thousand Three Hundred and Nine Only*) is liable to be rejected under Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and the same is liable to be re-determined as **Rs. 20,34,426/-** (*Rupees Twenty Lakh Thirty-Four Thousand and Four Hundred and Twenty-Six Only*) under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

8.3 I hold that goods having re-determined value of Rs. **20,34,426/-** (*Rupees Twenty Lakh Thirty-Four Thousand and Four Hundred and Twenty-Six Only*) have been imported by way of mis-declaration in contravention of Section 46 of the Customs Act, 1962 and are therefore liable for confiscation under Section 111 (l) & (m) of the Customs Act, 1962. However, I give an option to redeem the goods on payment of redemption fine of **Rs. 2,00,000/-** (*Rupees Two Lakh Only*) under Section 125 of the Customs Act, 1962.

8.4 I order to re-assess the Bill of Entry 2843878 dated 24.06.2025 accordingly under Section 17(4) of the Customs Act, 1962 with total consequential duty of **Rs. Rs.7,97,548/-** (*Rupees Seven Lakh Ninety-Seven Thousand Five Hundred and Forty-Eight Only*) and differential duty of **Rs. 4,58,650/-** (*Rupees Four Lakh Fifty-Eight Thousand Six Hundred and Fifty Only*).

8.5 I impose penalty of **Rs. 45,000/- (Rupees Forty-Five Thousand Only)** on M/s Empiric Trading Co under Section 112 (a) (ii) of the Customs Act, 1962.

8.6 I impose penalty of **Rs. 50,000/- (Rupees Fifty Thousand Only)** on M/s Empiric Trading Co under Section 114AA of the Customs Act, 1962.

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

(Dipak Zala)
Addl. Commissioner of Customs
Customs House, Mundra

BY Speed Post A.D / E-mail

To, (The Noticee):-

M/s Empiric Trading Co
First Floor, 118, Building No-10/54,
BD Chamber, Karol Bagh, New Delhi-110005

Copy to:

1. The Addl. Commissioner (SIIB), Customs House, Mundra.
2. The Deputy/Assistant Commissioner, TRC Mundra
3. The Deputy Commissioner, RRA Customs House, Mundra.
4. The Deputy/ Assistant Commissioner (EDI), Custom House, Mundra.
5. Notice Board.
6. Guard File