



OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-V,  
APPRAISING GROUP VA,

JAWAHARLAL NEHRU CUSTOMS HOUSE,

NHAVA SHEVA, TALUKA- URAN, DISTRICT- RAIGAD,  
MAHARASHTRA- 400707.



APP/misc/8735/Gr.VA/commr/CS/Nhava Sheva-V  
F. No. S/26-Misc-/2025-26/VA/JNCH Date of Order: 05.12.2025  
S/10-Adj-357/2025-26/Gr. VA, JNCH Date of issue: 05.12.2025

DIN: 20251278NX 000032373C

Passed by: MAZID KHAN

JT. Commissioner of Customs, Gr. VA, (NS-V), JNCH, Nhava Sheva

Order No. 1283(L)2025-26/JC/Gr. VA/NS-V/CAC/JNCH

Name of Importer: M/s AF Traders (IEC- CIZPD1555Q)

मूलआदेश

1. यह प्रतिजिसव्यक्तिकोजारीकीजातीहै, उसकेउपयोगकेलिए: शुल्कदीजातीहै।

2. इसआदेशकेविरुद्धअपीलसीमाशुल्कअधिनियम1962कीधारा128 (1)  
केतहतइसआदेशकीसंसूचनाकीतारीखसेसाठदिनोंकेभीतरसीमाशुल्कआयुक्त(अपील),  
जवाहरलालनेहरूसीमाशुल्कभवन, शेवा, ता. उरण, जिला- रायगढ़, महाराष्ट्र-  
400707कोकीजासकतीहै।अपीलदोप्रतियोंमेंहोनीचाहिएऔरसीमाशुल्क(अपील) नियमावली,  
1982केअनुसारफॉर्मसी.ए.

1 संलग्नकमेंकीजानीचाहिए।अपीलपरन्यायालयफीसकेरूपमें1.50रुपयेमात्रकास्टांपलगायाजायेगाऔरसाथमें  
यहआदेशयाइसकीएकप्रतिलगायीजायेगी।यदिइसआदेशकीप्रतिसंलग्नकीजातीहैतोइसपरन्यायालयफीसके  
रूपमें1.50रुपयेकास्टांपभीलगायाजायेगाजैसाकिन्यायालयफीसअधिनियम1970कीअनुसूची1,  
मद6केअंतर्गतनिर्धारितकियागयाहै।

3. इसनिर्णययाआदेशकेविरुद्धअपीलकरनेवालाव्यक्तिअपीलअनिर्णीतरहनेतक,  
शुल्कयाशास्तिकेसंबंधमेंविवादहोनेपरमाँगेगयेशुल्कके7.5%का,  
अथवाकेवलशास्तिकेसंबंधमेंविवादहोनेपरशास्तिकाभुगतानकरेगा।

ORDER-IN-ORIGINAL

1. This copy is granted free of charge for the use of the person to whom it is issued.

2. An appeal against this order lies with the Commissioner of Customs (Appeal), Jawaharlal Nehru Custom House, Sheva, Tal: Uran, Dist.: Raigad, Maharashtra – 400707 under section 128(1) of the Customs Act, 1962 within sixty days from the date of communication of this order. The appeal should be in duplicate and should be filed in Form CA-1 Annexure on the Customs (Appeal) Rules, 1982. The Appeal should bear a Court Fee stamp of Rs.1.50 only and should be accompanied by this order or a copy thereof. If a copy of this order is enclosed, it should also bear a Court Fee Stamp of Rs. 1.50 only as prescribed under Schedule 1, items 6 of the Court Fee Act, 1970.

3. Any person desirous of appealing against this decision or order shall, pending the appeal, make 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 FACT OF THE CASE**

Importer **M/s AF Traders (IEC- CIZPD1555Q)** having registered address at 5<sup>th</sup> Floor, 31 B wing, Abdul Kari Nakhoda Steet, Kolsa Mohlla PYDH Mumbai-400003 (hereinafter referred to as 'the Importer' for sake of brevity) filed Bill of Entry no 4943709 dated 06.10.2025 through Customs Broker of Sanvin Comfort Logistics (AIWPM1115ECH001) for import of goods. Further, Based on NCTC Alert No. 2025-26/IMP/2781, the goods covered under Bill of Entry No. 4943709 dated 06.10.2025 (**RUD-1**) as detailed in Table-I were put on hold by SIIB(I) JNCH vide Hold No. 550/2025-26 SIIB (I) dated 14.10.2025 imported by M/s AF Traders (IEC- CIZPD1555Q) filed through Customs Broker M/s. Sanvin Comfort Logistics (AIWPM1115ECH001).

**Table I**

BE No. & Date	4943709 dtd 06.10.2025
IGM No. & Date	1154373 dated 11.09.2025
Bill of Lading No.	EGLV147501338351
Container No.	TGBU7869856 (40 FT)
Importer	M/s AF Traders (IEC- CIZPD1555Q)
CHA	M/s. Sanvin Comfort Logistics (AIWPM1115ECH001)
Declared Items	Electronic Sound Amplifier 1800W Electronic Sound Amplifier 1600W Electronic Sound Amplifier 1500W Metal Fitting Bag Accessories Amplifier Spare Parts Packing Materials USB Charging Cable Tiny LCD Part for Keypad Mobile Power Bank Mobile Back Cover Screen Guard for Mobile Barber Scissor Cleaning Cloth
Assessed Value	14,14,028/-
Total Duty	5,09,281/-
Declared Weight (Gross) as per B/L	23330 kgs
Found Weight as per Weighment Slip	23410 kgs
Country of Origin	CHINA
Port of Loading	Nansha, China
CFS	M/s Vaishno CFS (INNSA1VLY1)

**2. Examination of the goods:**

**2.1** The goods stuffed in the container mentioned in Table-I were examined by officers of SIIB (I), JNCH under Panchanama dated 30.10.2025 (**RUD-2**). The weighment details found during examination are in Table-II below:

**Table-II**

Sr. No.	Container Nos. (40 fts.)	Seal No.	Gross Weight of the Container as per Weighment Slip (Kgs)	Container Tare Weight (in Kgs.)	Net Weight of the container (in Kgs.) as per weighment slip
1	TGBU7869856 (40 FT)	EMCTGZ6714	27110	3700	23410

**2.2 Findings of the Examination:**



- i. Cargo weight of container i.e. 23410 Kgs was 80 Kgs more than the Gross Cargo weight i.e. 23330 Kgs as declared in Bill of lading.
- ii. 100% Examination done.
- iii. A total of 1184 packages were found in the container, 44 more than the declared 1140 Packages.
- iv. Mis-declaration in terms of quantity was found in the goods. Goods found during the examination are given in Table-III below with details.

**Table-III**

S. No.	Description of Goods	No of Cartons	Qty/Carton	Total Quantity	Declared Quantity in BE	Remarks
1.	Electronic Sound Amplifier Model No. D80	25	01 pc	25 pcs	45 pcs	Found as declared
2.	Electronic Sound Amplifier Model No. D804	20	01 pc	20 pcs		
3.	Electronic Sound Amplifier Model No. D1104	10	01 pc	10 pcs	10 pcs	Found as declared
4.	Electronic Sound Amplifier Model No. R30	25	01 pc	25 pcs	55 pcs	Quantity Found as declared, but wattage of item 5&6 found 2000W and above
5.	Electronic Sound Amplifier Model No. PRO 9.0	20	01 pc	20 pcs		
6.	Electronic Sound Amplifier Model No. PRO 12.0	10	01 pc	10 pcs		
7.	Assorted Metal Fitting Bag Accessories	60	17 kgs	1020 kgs	1013.48 kgs	6.52 kgs found excess
8.	Amplifier Spare Parts	1	30 pcs	30 pcs	80 pcs	Found as declared
		2	25 pcs	50 pcs		
9.	USB Charging Cable	67	500 pcs	33500 pcs	73500 pcs	Found as declared
		40	1000 pcs	40000 pcs		
10.	Tiny LCD Part for Keypad Mobile	19	2400 pcs	45600 pcs	58176 pcs	12576 pcs found short
11.	Power Bank Model No PB-22	10	100 pcs	1000 pcs	7000 pcs	Found as declared
12.	Power Bank Model No PB-21	150	20 pcs	3000 pcs		
13.	Power Bank Model No PB-08	75	40 pcs	3000 pcs		
14.	Mobile Back Cover	45	700 pcs	31500 pcs	31500 pcs	Found as declared
15.	Screen Guard for Mobile (Tempered Glass)	327	1000 pcs	327000 pcs	311000 pcs	16 cartons = 16000 pcs found excess
16.	Hair Trimmer Model "Tango T1"	17	60 pcs	1020 pcs	3048 pcs	2 cartons = 120 pcs found short
17.	Hair Trimmer Model "Tango T2"	15	60 pcs	900 pcs		
18.	Hair Trimmer Model "Tango T3"	21	48 pcs	1008 pcs		
19.	Cleaning Cloth	10	600 pcs	6000 pcs	6000 pcs	Found as declared
20.	Assorted Packing Materials	4	763 pcs	3052 pcs	171936 pcs	188492 pcs found, 16556 pcs excess.
		10	863 pcs	8630		



		pcs
32	630 pcs	20160 pcs
26	600 pcs	15600 pcs
13	1050 pcs	13650 pcs
3	2150 pcs	6450 pcs
6	1020 pcs	6120 pcs
7	650 pcs	4550 pcs
8	540 pcs	4320 pcs
15	400 pcs	6000 pcs
35	2000 pcs	70000 pcs
7	480 pcs	3360 pcs
34	510 pcs	17340 pcs
3	250 pcs	750 pcs
1	350 pcs	350 pcs
1	100 pcs	100 pcs
1	950 pcs	950 pcs
2	770 pcs	1540 pcs
2	1400 pcs	2800 pcs
2	850 pcs	1700 pcs
2	450 pcs	900 pcs
1	170 pcs	170 pcs
Total Packages	1184	

- v. Description of item no 5 & 6 was mis-declared, goods found have wattage 2000W and above, importer has submitted relevant BIS Certificate and Authorisation Letters for the same.
- vi. Quantity of few items found excess as mentioned in remarks of Table-III
- vii. Item No. 16,17,18 i.e. "Hair Trimmers" were declared as "Barber's Scissors" in the Bill of Entry. Importer has submitted the relevant BIS Certificate and Authorisation letters for the same.
- viii. The Importer has submitted copy of Bill of Entry, Bill of Lading, commercial Invoice, Packing List, LMPC, MSME Udhyam Registration Certificate and EPRA Application.
- ix. Prima facie the goods appeared to be undervalued when analysed from open-sources.

### 3. Seizure of the Goods:

Since, the goods were mis-declared in terms of quantity & description and were being sought to be cleared with the intent to evade payment of the appropriate customs duties, and thus constitute a violation under the relevant provisions of the Customs Act, 1962, there were reasons to believe that the goods covered



under Bill of Entry No. 4943709 dated 06.10.2025 filed by M/s AF Traders are liable for confiscation under section 111 of the Customs Act, 1962. Accordingly, the goods imported under the instant B/E have been seized vide Seizure Memo No. 246/2025-26 (**RUD-3**).

#### 4. Classification of the Goods

**4.1** Since, the goods were mis-declared in terms of description, classification of few goods is required to be re-classified. Classification of the goods that are reclassified is given Table-IV below. Rest of the goods are classified correctly.

**Table-IV**

S. No.	Description of Goods	Description in BE	Declared CTH	Reclassified CTH
1	Screen Guard for Mobile (Tempered Glass)	Screen Guard for Mobile	8517 7990	7007 2900
2	Hair Trimmer Model "Tango T1"	Barber Scissor	8213 0000	8510 3000
3	Hair Trimmer Model "Tango T2"			
4	Hair Trimmer Model "Tango T3"			

#### 5. Valuation of the Goods

5.1 During the examination, goods found were mis-declared with respect to quantity and description. Hence, it formed the reason to doubt the truth and accuracy of the value declared in relation to the imported goods, and as the transactional value was doubtful, the same was rejected in terms of Rule 12 of Customs Valuation (Determination of value of imported goods) Rules, 2007.

The Rule 3(4) of Customs Valuation (Determination of Value of Import Goods) Rules, 2007 says that "if the value cannot be determined under the provisions of sub-rule 3(1), the value shall be determined by proceeding sequentially through rule 4 to 9". As the value of impugned goods cannot be determined under the provisions of sub-rule (1) of Rule 3 of the Customs Valuation Rules (CVR), 2007, the same was required to be determined sequentially under rule 4 to 9 of CVR 2007.

- a. **As per Rule 4 of CVR 2007**, 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;
- b. **As per Rule 5 of CVR 2007**, 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:

To determine the value of the imported goods as per Rule 4 or Rule 5 of CVR 2007, contemporaneous data of import of identical or similar goods was required. On perusal of data available in 1.5 ICES system, no concrete data of identical or similar items in terms of description, quantity and country of origin



for other items of the instant B/E was found in customs database, therefore, value of the goods cannot be determined as per Rule 4 and 5 of the Customs Valuation Rules (CVR), 2007.

- c. **As per Rule 6 of the CVR, 2007** if the value of imported goods cannot be determined under the provisions of rules 3, 4 and 5, the value shall be determined under the provisions of rule 7 or, when the value cannot be determined under that rule, then under rule 8.

Further, due to non-availability of the actual profit, transportation, general expenses in each transaction and cost of production & profit percentage of the supplier, it appears that determination of value under Rule 7 and Rule 8 of the CVR 2007 is not a feasible option.

Therefore, the valuation of impugned goods was to be done under Rule 9 of the CVR, 2007 using reasonable means consistent with the principles and general provisions of these Rules and on the basis of data available in India.

- d. As per the provisions of Rule 9 of the Customs Valuation Rules, 2007, the value of the impugned goods is re-determined under residual method as under: Interpretative notes to the Customs Valuation Rules, 2007 lay down the method to be followed for applying the provisions of various rules contained therein. Such notes in respect of Rule 9 of the Customs Valuation Rules, 2007 lay down as under:

1. The value of imported goods determined under the provisions of the said Rule 9 should to the greatest extent possible, be based on previously determined customs values.
2. The methods of valuation to be employed under Rule 9 may be those laid down in Rule 3 to 8, inclusive, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of Rule 9.
3. Some examples of reasonable flexibility are as follows:
  - i. Identical goods: The requirement that the identical goods should be imported at or about the same time as the goods being valued could be flexibly interpreted; identical imported goods produced in a country other than the country of exportation of the goods being value could be the basis for customs valuation; customs values of identical imported goods already determined under the provisions of Rule 7 and Rule 8 could be used.
  - (ii) Similar goods: The requirements that the similar goods should be imported at or about the same time as the goods being valued could be flexibly interpreted; similar imported goods produced in a country other than the country of exportation of the goods being valued could be the basis for customs valuation; customs values of similar imported goods already determined



under the provisions of Rule 7 and Rule 8 could be used.

5.2 Accordingly, a market survey has been carried out in presence of Authorized representative of the importer on 15.11.2025 (**RUD-4**) in respect of the goods imported vide the instant B/E on the basis of samples drawn from the imported goods during examination along with photographs taken for the purpose of ascertaining the market prices of the goods.

The Market survey was done at different shops in Mumbai for fair and appropriate wholesale prices of the goods. The shopkeepers quoted the wholesale prices of the items after seeing the characteristics of the samples through the representative samples drawn during examination. Each item was enquired at least three different shops. Some shopkeepers agreed to provide quotation, whereas some shopkeepers expressed their inability to provide written quotations and told the rates verbally. Some shopkeepers also provided their cards. The shopkeepers informed that the price of the goods varies time to time as per demand, supply and quantities etc.

Some goods with same markings were available, while some of similar quality were available in surveyed shops. Shopkeepers confirmed familiarity with the original products. Comparable items from similar quality, available in market with various local markings were observed and evaluated. Pricing inputs were based on product quality, quantity and type, factoring in standard industry margins. Prices were collected based on visual inspection, discussion with shop owners, and quoted/verbally informed prices. The rate of items quoted/verbally informed by the shopkeepers has been tabulated below in Table - V for ready reference:

**Table - V**

S. No.	Description	Unit Price At 1st Shop In Rs.	Unit Price At 2nd Shop In Rs.	Unit Price At 3rd Shop In Rs.	Avg. Wholesale Price Per Piece Rs.
1.	Electronic Sound Amplifier Model No. D80	6200	6050	5750	6000
2.	Electronic Sound Amplifier Model No. D804	6200	6050	5750	6000
3.	Electronic Sound Amplifier Model No. D1104	6400	6450	6650	6500
4.	Electronic Sound Amplifier Model No. R30	6400	6450	6650	6500
5.	Electronic Sound Amplifier Model No. PRO 9.0	9200	9000	8800	9000
6.	Electronic Sound Amplifier Model No. PRO 12.0	10250	10100	9650	10000
7.	Assorted Metal Fitting Bag Accessories	118	120	122	120
8.	Amplifier Spare Parts	151	152	147	150
9.	USB Charging Cable	9	11	10	10
10.	Tiny LCD Part for Keypad Mobile	4.5	5.5	5	5
11.	Power Bank Model No PB-22	252	249	249	250
12.	Power Bank Model No PB-21	205	198	197	200
13.	Power Bank Model No PB-08	222	218	220	220



14.	Mobile Back Cover	11	10.5	8.5	10
15.	Screen Guard for Mobile (Tempered Glass)	22	21	17	20
16.	Hair Trimmer Model "Tango T1"	102	101	97	100
17.	Hair Trimmer Model "Tango T2"	80	82	78	80
18.	Hair Trimmer Model "Tango T3"	91	92	87	90
19.	Cleaning Cloth	10.5	10	9.5	10
20.	Assorted Packing Materials	2.5	2	1.5	2

As per Market Survey, the Re-determined Values and corresponding Duties of the items mentioned at sr. no. 1 to 20 of Table-III goods found on examination are as below:

Table - VI

S. No.	BE S. No.	Description of the goods	Total Qty Found	Declared Qty	CTH	Net Effective Duty	Declared Value	Reassessed Value	Declared Duty	Reassessed Duty	Differential Duty
1	2	Electronic Sound Amplifier Model No. D80	25 pcs	45 pcs	85185000	30.98	72657	72750	22509.1	22538	18059.171
2		Electronic Sound Amplifier Model No. D804	20 pcs		85185000			58200		18030.4	
3	3	Electronic Sound Amplifier Model No. D1104	10 pcs	10 pcs	85185000	30.98	14352	31525	4446.25	9766.45	5320.1954
4	5	Electronic Sound Amplifier Model No. R30	25 pcs	55 pcs	85185000	30.98	98670	78812.5	30568	24416.1	35918.987
5		Electronic Sound Amplifier Model No. PRO 9.0	20 pcs		85185000			87300		27045.5	
6		Electronic Sound Amplifier Model No. PRO 12.0	10 pcs		85185000			48500		15025.3	
7	4	Assorted Metal Fitting Bag Accessories	1020 kgs	1013.48 kgs	83089099	30.98	54545.49	59364	16898.2	18391	1492.7744
8	5	Amplifier Spare Parts	80 pcs	80 pcs	85189000	37.47	3588	5820	1344.42	2180.75	836.3304
9	7	USB Charging Cable	73500 pcs	73500 pcs	85444999	30.98	109882.5	356475	34041.6	110436	76394.357
10	8	Tiny LCD Part for Keypad Mobile	45600 pcs	58176 pcs	85177990	37.47	18119.4	110580	6789.34	41434.3	34644.987
11	9	Power Bank Model No PB-22	1000 pcs	7000 pcs	85076000	43.96	169533	121250	74526.7	53301.5	247414.35
12		Power Bank Model No PB-21	3000 pcs					291000		127924	
13		Power Bank Model No PB-08	3000 pcs					320100		140716	
14	10	Mobile Back Cover	31499 pcs	31500 pcs	85177990	37.47	82411.88	152775	30879.7	57244.8	26365.061
15	11	Screen Guard for Mobile (Tempered Glass)	327000 pcs	311000 pcs	70072900	37.47	581188.7	3171900	217771	1188511	970739.51
16	12	Hair Trimmer Model "Tango T1"	1020 pcs	3048 pcs	85103000	30.98	71085.46	49470	22022.3	15325.8	17752.699
17		Hair Trimmer Model "Tango T2"	900 pcs					34920		10818.2	
18		Hair Trimmer Model "Tango T3"	1008 pcs					43999.2		13631	
19	13	Cleaning Cloth	6000 pcs	6000 pcs	63071090	16.55	20182.5	29100	3340.2	4816.05	1475.8463
				171936							



20	6	Assorted Packing Materials	188492 pcs	pcs	85177990	37.47	117812	182837	44144.1	68509.1	24364.965
							1414028	5306678	509281	1970061	1460780

5.3 As per the calculation sheet (**RUD-5**) above, a summary of the re-determined values is provided in Table-VI below:

- Total Re-determined Value of the goods – Rs. 53,06,678/-
- Total Re-determined Duty of Goods – Rs. 19,70,061/-

**TABLE - VII**

Declared Assessable Value	Declared Duty	Re-determined Value	Re-determined Duty	Differential Duty
₹ 14,14,028/-	₹ 5,09,281/-	₹ 53,06,678/-	₹ 19,70,061/-	₹ 14,60,780/-

**6 . Statement of Shri Mohammed Mohsin Mohammed Amin Ansari, Authorized Representative of M/s AF Traders (RUD -6) dated 17.11.2025.**

- The importer stated that he had appeared before the SIIB (Import), JNCH on 17.11.2025 in compliance with a summons issued on 10.11.2025, in connection with the investigation concerning goods covered under Bill of Entry No. 4943709 dated 06.10.2025.
- He identified himself as Shri Mohammed Mohsin Mohammed Amin Ansari, 51 years old, the Authorized Representative of M/s AF Traders
- He explained that M/s AF Traders typically imported consumer goods such as purses, bags and mobile accessories, and that apart from himself, fourteen other people were involved in the firm's business. He added that he managed the Import Department.
- He stated that he was unaware of any incorrect wattage description of the amplifiers in the Bill of Entry. He confirmed that he himself had placed the order for amplifiers of 1500W, 1600W and 1800W only.
- Regarding the excess mobile screen guards, he told that it was likely a human error by the supplier.
- He further explained that he had ordered hair trimmers, but the Chinese supplier had described them as "scissors," which caused the description mismatch.
- He acknowledged that due to the excess cargo, the misdescription of hair trimmers and the wattage mismatch in the amplifiers, the valuation of the goods is liable to be rejected under Rule 12 of the Customs Valuation Rules, 2007, and he accepted the department's position. He confirmed being aware of the market survey conducted on 15.11.2025 and accepted the values determined in the market survey report.
- He submitted voluntarily that he had no intention to mis declare the quantity or description of any goods, and that any discrepancies were due to confusion or minor errors. He expressed full cooperation with the



investigation, accepted the department's stand, and requested early release of his goods upon payment of applicable duties, without issuance of a show cause notice or a personal hearing.

## **7. Relevant Legal Provisions Applicable**

The relevant provisions of law relating to import and valuation of goods in general, the Policy and Rules relating to imports, the liability of the goods to confiscation and the persons concerned are liable to penalty for illegal importation under the provisions of the Foreign Trade (Development and Regulation) Act, 1992; Foreign Trade (Regulation) Rules, 1993; the Customs Act, 1962; and any other laws for the time being in force are summarized as under:

### **7.1 Foreign Trade (Development & Regulation) Act, 1992 and Foreign Trade (Regulation) Rules, 1993:**

(A) As per Section 11(1) of the Foreign Trade (Development & Regulation) Act, 1992, no export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the export and import policy for the time being in force.

(B) As per Rule 11 of the Foreign Trade (Regulation) Rules, 1993 on importation into, any Customs ports of any goods, whether liable to duty or not, the owner of such goods shall in the Bill of Entry state the value, quality and description of such goods to the best of his knowledge and belief and shall subscribe a declaration of the truth of such statement at the foot of such Bill of Entry.

### **7.2 Further, Paragraph 2.03 of the Foreign Trade Policy 2023 which reads as follows:**

#### **"2.03 Compliance of Imports with Domestic Laws**

(a) Domestic Laws/ Rules/ Orders/ Regulations/ technical specifications/ environmental/safety and health norms applicable to domestically produced goods shall apply, mutatis mutandis, to imports, unless specifically exempted.

(b) However, goods to be utilized/ consumed in manufacture of export products, as notified by DGFT, may be exempted from domestic standards/quality specifications".

The Foreign Trade Policy is framed under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 [FTDR Act]. Further, Section 5 of this Act reads as follows:

**5. Foreign Trade Policy.** -The Central Government may, from time to time, formulate and announce, by notification in the Official Gazette, the foreign trade policy and may also, in like manner, amend that policy: Provided that the Central Government may direct that, in respect of the



Special Economic Zones, the foreign trade policy shall apply to the goods, services and technology with such exceptions, modifications and adaptations, as may be specified by it by notification in the Official Gazette.

Thus, the Foreign Trade Policy 2015-20 framed under the FTDR Act is a law which all imports and exports have to comply with it.

### **7.3 The Customs Act, 1962**

- A. **Section 11 (3)** *any prohibition or restriction or obligation relating to import or export of any goods or class of goods or clearance thereof provided in any other law for the time being in force, or any rule or regulation made or any order or notification issued thereunder, shall be executed under the provisions of that Act only if such prohibition or restriction or obligation is notified under the provisions or adaptations as the Central Government deems fit.*
- B. **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 <sup>1</sup> [electronically] <sup>2</sup> [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.*
- (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, and such other documents relating to the imported goods as may be prescribed*
- (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.*
- C. **Section 110 of the Customs Act, 1962**, *provides for Seizure of goods, documents and things. - (1) If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods:*
- D. **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;

(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;]

(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;

**E. 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:

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

**F. 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.

**G. Section 124: Issue of show cause notice before confiscation of goods, etc. -**



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

(a) is given a notice in writing with the prior approval of the officer of Customs not below the rank of an Assistant Commissioner of Customs, informing him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;

(b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and

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

#### H. **Section 125: - Option to pay fine in lieu of confiscation**

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: Provided that, without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon. 2[(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1) the owner of such goods or the person referred to in sub-section (1) shall, in addition, be liable to any duty and charges payable in respect of such goods.

#### **7.4 The Customs Valuation Rules (Determination of Value of Imported Goods), 2007:**

##### **I . Rule 3. Determination of the method of valuation - (1)**

Subject to rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of rule 10;

##### **I I . 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;

##### **III. 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:

##### **I V . Rule 6. Determination of value where value cannot be determined under rules 3, 4 and 5 - If the value of imported**



goods cannot be determined under the provisions of rules 3, 4 and 5, the value shall be determined under the provisions of rule 7 or, when the value cannot be determined under that rule, under rule 8.

V. **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.

VI. **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.

VII. **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.

VIII. 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. Findings of the Investigation and Conclusion:

From the foregoing investigation, it appears that:

- a. The subject consignment imported by M/s AF Traders (IEC - CIZPD1555Q) vide Bill of Entry No. 4943709 dated 06.10.2025 was examined 100% by the officers of SIIB Import and was found to be mis-declared in terms of description and quantity. Further, the goods appeared to be undervalued prima facie.
- b. As the goods imported were found to be mis-declared with respect to quantity & description, it formed the reason to doubt the truth and accuracy of the value declared. As the transactional value was doubtful, the same was rejected in terms of Rule 12 of Customs Valuation (Determination of value of imported goods) Rules, 2007. The Rule 3(4) of Customs Valuation (Determination of Value of Import Goods) Rules, 2007 says that "if the value cannot be determined under the provisions of sub-rule 3(1), the value shall be determined by proceeding sequentially through rule 4 to 9. Following these valuation rules, value of the consignment has been re-determined as **Rs. 53,06,678/-**
- c. The subject goods were mis-declared in terms of description, quantity and value which made the said goods liable for confiscation under section 111(m) and 111(l) of the Customs Act, 1962.



11. I have gone through the facts of the case and Investigation Report dated **02.12.2025** along with the submissions made by the Importer **M/s AF Traders (IEC- CIZPD1555Q)** in the subject matter. From investigation report, it appears that the said Importer in the said Bill of Entry. **4943709** dated **06.10.2025** through Customs Broker firm **M/s Sanvin Comfort Logistics (AIWPM1115ECH001)** had resorted to mis-classification, mis-declaration in term of description, quantity and undervaluation (Table-III, IV, VI and Table-VII of IR as per Para 5.3), thus, attempted to clear the goods covered under subject bill of entry without payment of appropriate customs duty. Hence, the same appeared to be liable for confiscation under section 111(l) and 111(m) of the Customs Act, 1962 and for such act of omission and commission, the importer **M/s AF Traders (IEC- CIZPD1555Q)**, appear liable for penalty under Section 112(a) of the Customs Act, 1962 and importer **M/s AF Traders (IEC- CIZPD1555Q)** appears liable for penal action under Section 114AA of the Customs Act, 1962 as the mis-declared goods could not be imported without his knowledge.

12. I observe as per Table-III and IV in the said Investigation Report that there is mis-declaration in description, quantity and classification as found v/s declared and it is tabulated as below:

**Table-A**

SN	DESCRIPTION DECLARED	DESCRIPTION FOUND	QTY DECLARED	QTY FOUND	CTH DECLARED	CTH FOUND
1	Electronic Sound Amplifier Model No. R30 (1800W)	Electronic Sound Amplifier Model No. R30 (1800W)	25 pcs	25 pcs	85185000	85185000
2		Electronic Sound Amplifier Model No. PRO 9.0 ( <b>2000W AND ABOVE</b> )	20 pcs	20 pcs	85185000	85185000
3		Electronic Sound Amplifier Model No. PRO 12.0 ( <b>2000W AND ABOVE</b> )	10 pcs	10 pcs	85185000	85185000
4	Assorted Metal Fitting Bag Accessories	Assorted Metal Fitting Bag Accessories	1013.48 kgs	<b>1020 kgs</b>	83089099	83089099
5	Tiny LCD Part for Keypad Mobile	Tiny LCD Part for Keypad Mobile	58176 pcs	<b>45600 pcs</b>	85177990	85177990
6	Screen Guard for Mobile (Tempered Glass)	Screen Guard for Mobile (Tempered Glass)	311000 pcs	<b>327000 pcs</b>	85177990	<b>70072900</b>
7	Barber Scissor	<b>Hair Trimmer Model "Tango T1"</b>	3048 pcs	1020PCS	82130000	<b>85103000</b>
8		<b>Hair Trimmer Model "Tango T2"</b>		900PCS		
9		<b>Hair Trimmer Model "Tango T3"</b>		1008PCS		
10	Assorted Packing Materials	Assorted Packing Materials	171936 pcs	<b>188492 pcs</b>	85177990	85177990

From the above, I found that there is clear-cut mis-declaration in tune to description, quantity and classification, thus for the said contraventions, I hold that the impugned goods are liable for confiscation under Section 111(l) of



- d. Statement of the authorized representative of the importing firm has been recorded. During his voluntary statement, the importer has not provided any reasonable justification or documentary evidence for the bona fide nature of the misdeclaration or undervaluation. However, he expressed his willingness to cooperate with the investigation. He further requested early release of the goods. He accepted the redetermined value of the goods.

**9. Recommendations:**

- a. M/s AF Traders (IEC - CIZPD1555Q) attempted to import goods covered under bill of entry no. 4943709 dated 06.10.2025 by way of misdeclaration in terms of their description, quantity, and value having declared the total assessable value of the goods as **Rs. 14,14,028/-** (Fourteen Lakh Fourteen Thousand Twenty-Eight Rupees Only). Based on the investigation findings, value of the goods appears liable to be rejected under Rule-12 of the Customs Valuation Rules, 2007 and thus, re-determined value of the goods in Bill of Entry No. 4943709 dated 06.10.2025 is **Rs. 53,06,678/-** (Fifty-Three Lakh Six Thousand Six Hundred Seventy-Eight Rupees Only). Accordingly, the duty declared as **Rs. 5,09,281/-** (Five Lakh Nine Thousand Two Hundred Eighty-One Rupees Only) stands re-determined at **Rs. 19,70,061/-** (Nineteen Lakh Seventy Thousand Sixty-One Rupees Only). Accordingly, Differential Duty to be paid comes out to be **Rs. 14,60,780/-**
- b. As the importer has attempted to import the goods by way of misdeclaration in description & quantity, hence made the goods liable for confiscation under Section 111(l) & 111(m) of Customs Act, 1962. Consequently, by his acts of omission and commission on the part of the importer, the importer rendered himself liable for imposition of penalty under Section 112(a) of the Customs Act, 1962.
- c. The Importer knowingly and intentionally submitted false import documents for the purpose of clearing the goods and tried to defraud the government exchequer. By knowingly making false declarations and submitting documents containing incorrect material particulars, the importer rendered himself liable for penal action under Section 114AA of the Customs Act, 1962.

**WRITTEN SUBMISISON AND PERSONAL HEARING**

10. Importer vide letter dated **04.12.2025** have submitted for waiver of SCN/ PH and stated that they are ready to pay the applicable duty, fine and penalty as per re-determined value derived on the basis of market survey. Hence, Personal hearing has not been granted.

**DISCUSSION AND FINDINGS**



the Customs Act, 1962.

13. I observe that the impugned goods during investigation (at para 5.3) were found to be undervalued and the price of goods were redetermined by the SIIB (I) under Rule 9 of the Customs Valuation Rules, 2007. The details are as follows: -

**Table-B**

Sr. No.	Total Declared Price in BOE (in Rs.)	Total Enhanced Ass. Value for the items (in Rs.)	Total Duty payable (in Rs.)	Duty declared as per BE (in Rs.)	Differential Duty (in Rs.)
1	14,14,028	53,06,678/-	19,70,061/-	5,09,281	14,60,780/-

I observed that the total re-determined duty for B/E 4943709 Dt 06.10.2025, is calculated to be INR **19,70,061/-** (Rupees Nineteen Lakh Seventy Thousand, and Sixty-One only) and thus differential duty is INR 14,60,780/- (Rupees Fourteen Lakh Sixty Thousand, Seven Hundred and Eighty only). I observe that the said importer has not challenged the said investigation findings in his written submission and therefore, I hold that the contention of the Department as mentioned in the said Investigation report is sustainable and I hold the same.

14. After introduction of the Self-Assessment scheme, the onus is on the importer to comply with the various laws, determine his tax liability correctly and discharge the same. The importers are required to declare the correct description, value, classification, notification number, if any, and themselves assess the Customs duty leviable, if any, on the imported goods. Self-Assessment is supported by Sections 17, 18 and 46 of the Customs Act, 1962 and the Bill of Entry (Electronic Declaration) Regulations, 2011. Thus, with the introduction of the self-assessment by amendment to Section 17, effective from 08.04.2011, it is an added and enhanced responsibility of the importer to declare the correct description, value, notifications etc., and to correctly classify, determine and pay the duty applicable in respect of the imported goods. The importer is squarely responsible for Self-Assessment of duty on imported goods and for filing all declarations and related documents and confirming these are true, correct and complete. Self-Assessment can result in assured facilitation for compliant importers. However, delinquent importers would face penal action on account of wrong Self-Assessment made with intent to evade duty or avoid compliance of conditions of notifications, Foreign Trade Policy or any other provision under the Customs Act, 1962 or the Allied Acts.

15. As per sub-section (4) of Section 46 of the Customs Act, 1962, the



importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods. However, I find that the importer in the instant case has failed to fulfil its obligation, suppressed correct information, has given mis-statements and, thus, contravened provisions of the Customs Act, 1962 and thereby he is liable penalized under custom act.

16. I observe that the importer imported the said goods in clear violation with respect to quantity, description, classification and valuation. For the said contraventions, I hold that the impugned goods are liable for confiscation under Section 111(m) & 111(1) of the Customs Act, 1962. Further, I hold that by making the said goods liable for confiscation the importer has rendered himself liable for penal action under Section 112(a) of the Customs Act, 1962 and I hold the same.

17. I find that the Importer **M/s AF Traders (IEC- CIZPD1555Q)** has intentionally undervalued, mis-declared, mis-classified the impugned goods and filed wrong declaration before the Customs authorities. For such act of omission and commission I hold that the importer is liable for penalty under section 114AA of the Customs Act, 1962.

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

**ORDER**

- i. I order to reject the declared assessable value of **Rs. 14,14,028/- (Rupees Fourteen Lakh Fourteen Thousand, and Twenty-Eight Only)** of the goods covered under the Bill of Entry No. **4943709 DT 06.10.2025**, in terms of Rule 12 of Customs Valuation Rule, 2007 and re-determine the same at **Rs. 53,06,678/- (Rupees Fifty-Three Lakh Six Thousand, Six Hundred and Seventy-Eight Only)** as mentioned hereinabove under Rule 9 read with Rule 7 Customs Valuation Rule, 2007. The Bills of Entry to be re-assessed, re-classify accordingly after proper amendment as per finding of investigation Report dated **04.12.2025**.
- ii. I order to confiscate all the goods to this order under Section 111(1) and 111(m) of the Customs Act, 1962 having re-determined assessable value of **Rs. 53,06,678/- (Rupees Fifty-Three Lakh Six Thousand, Six Hundred and Seventy-Eight Only)**. However, I give an option to redeem the goods above for home consumption on payment of a Redemption Fine of **Rs. 3,60,000/- (Rupees Three Lakh Sixty Thousand Only)** under section



**125 of Customs Act, 1962.**

- iii. I also impose a penalty of **Rs. 1,40,000/- (Rupees One Lakh Forty Thousand Only)** on **M/s AF Traders (IEC- CIZPD1555Q)**, under Section **112(a)** of the Customs Act, 1962 and other allied acts.
- iv. I also impose a penalty of **Rs. 50,000/- (Rupees Fifty Thousand Only)** on importer of the **M/s AF Traders (IEC- CIZPD1555Q)** for non-compliance of mandatory provisions, under Section 114AA of the Customs Act, 1962 and other allied acts.
19. This order has been passed without prejudice to any other action that may be taken against the above-mentioned firm and person under the provision of the Customs Act, 1962 and/ or any other law, for time being in force in India.

Digitally signed by  
Mazid Khan  
Date: 05-12-2025  
14:27:37

(Mazid Khan)  
Joint Commissioner of Customs,  
Gr VA, NS-V, JNCH.

To,  
**M/s AF Traders (IEC- CIZPD1555Q)**  
5<sup>th</sup> Floor, 31 B wing, Abdul Kari Nakhoda Steet,  
Kolsa Mohlla PYDH  
Mumbai-400003

On Behalf  
of Inspector and CHA copy  
9/12/25  
a13785029

Copy to: -

- 1.) The Deputy Commissioner of Customs, Review Cell, JNCH Nhava Sheva.
- 2.) The Deputy Commissioner of Customs, CAC, NS-V, JNCH Nhava Sheva.
- 3.) The Deputy Commissioner of Customs, EDI, NS-V, JNCH Nhava Sheva.
- 4.) CHA-M/s. **Sanvin Comfort Logistics (AIWPM1115ECH001)**
- 5.) Office Copy.



