



**OFFICE OF THE COMMISSIONER OF CUSTOMS (NS-I),
NHAVA-SHEVA, JAWAHARLAL NEHRU CUSTOM HOUSE,
TAL-URAN, DISTRICT- RAIGAD, MAHARASHTRA - 400 707**

F. No. S/26-Misc-(506)112/2025-26/Gr. IIH-K
F. No. S/10-Adj- 77 /2025-26/Group IIH-K

Date of order: 23 .09.2025
Date of issue: 23 .09.2025

Passed by: Kilaru Mahendranadh,
Asstt. Commissioner of Customs,
Group-II(H-K), NS-I, JNCH.

Order No. 987 4/2025-26/AC/Gr.II(H-K)/NS-I/CAC/JNCH
DIN. No. 20250978NW0000057551

Name of Party/Noticee/Importer: M/s. Mehali Papers Private Limited(IEC-0314069135)

मूल्यांकनआदेश

1. यह प्रति जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निःशुल्क दी जाती है।
2. इस आदेश के विरुद्ध अपील सीमाशुल्क अधिनियम 1962 की धारा 128 (1) के तहत इस आदेश की संसूचना की तारीख से साठ दिनों के भीतर सीमाशुल्क आयुक्त (अपील), जवाहरलाल नेहरू सीमाशुल्क भवन, शेवा, ता. उरण, जिला - रायगढ़, महाराष्ट्र -400707 को की जा सकती है। अपील दो प्रतियों में होनी चाहिए और सीमाशुल्क (अपीलनियमावली, 1982 के अनुसार फॉर्म सी.ए.1 संलग्नक में की जानी चाहिए। अपील पर न्यायालय फीस के रूप में 1.50 रुपये मात्र का स्टॉप लगाया जायेगा और साथ में यह आदेश या इसकी एक प्रति लगायी जायेगी। यदि इस आदेश की प्रति संलग्न की जाती है तो इस पर न्यायालय फीस के रूप में 1.50 रुपये का स्टॉप भी लगाया जायेगा जैसा कि न्यायालय फीस अधिनियम 1970 की अनुसूची 1, मद 6 के अंतर्गत निर्धारित किया गया है।
3. इस निर्णय या आदेश के विरुद्ध अपील करने वाला व्यक्ति अपील अनिर्णीत रहने तक, शुल्क या शास्ति के संबंध में विवाद होने पर माँगे गये शुल्क के 7.5% का, अथवा केवल शास्ति के संबंध में विवाद होने पर शास्ति का भुगतान करेगा।

ORDER-IN-ASSESSMENT

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.

SPEAKING ORDER
UNDER SECTION 17(5) OF CUSTOMS ACT, 1962

M/s. Mehali Papers Private Limited (IEC- 0314069135) having address at D-2/11/B2 Dahej-II, Industrial Estate, TAL VAG Dahej (hereinafter referred to as 'the importer') filed Bill of Entry No. 4383852 dated 09.09.2025 (hereinafter referred as 'the said bill of entry') for import and clearance of goods declared as "Waste Paper- Residential Mixed Paper" (hereinafter referred as 'the said goods') imported vide invoice no. 451002143871 dated 30.07.2025 (CNF Hazira Port, Surat) from supplier M/s. GP Harmon Recycling LLC, One Jericho Plaza, Suite 204, Jericho-11753-1681, New York, USA. The details of Bill of Entry are as under: -

Table- A

Bill of Entry & Date	4383852 dated 09.09.2025
Description	Waste Paper- Residential Mixed Paper
Customs Tariff Item	47079000
Assessable Value	Rs.38,57,178.57/-
Declared Duty	Rs.2,07,506/-
Unit Price in invoice	USD 144/MTS
Unit Price in BOE	USD 144/ MTS
Declared Gross weight	2,79,607/- KGS

2. The subject Bill of Entry was marked to FAG for assessment. On perusal of the documents filed by the importer i.e. Invoice No. 451002143871 dated 30.07.2025 and declaration in BE, the unit price is USD 144/MTS. On further going through the import data, the declared value was found lower than value of the contemporaneous import of the similar goods having the same country of origin.

2.1 The opportunities were given through raising the queries in the system for uploading the documents and clarification in support of declared value. Further, the virtual personal hearing opportunity was granted to the importer in accordance with the law of natural justice. However, the importer neither submitted the proper justification and supporting documents in support of declared value, which is lower than value of contemporaneous import of the similar goods having the same country of origin nor availed the personal hearing opportunities. It seems that importer did not have any clarification and supporting documents to support their declared value.

3. After implementation of self-assessment vide Finance Act, 2011, the onus is on the importer to make true and correct declaration in all aspects including description, classification and calculation of duty. Relevant sections for self-assessment are reproduced here for the sake of brevity which are applicable in this instant case:

Section 17(1) Assessment of duty, reads as:

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.

SECTION 46. Entry of goods on importation, subsection 46(4) reads as:

(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.

4. The said Bill of Entry was filed on 2nd Check basis and allotted to FAG (INNSA1) for assessment. Further, the Importer has declared the Unit Price of the said goods as USD144/MTS. Since the declared value appeared low, previous import data of the subject importer was checked and it was observed that the import value is higher than the declared value in the said BE. The virtual personal hearing opportunities were granted to the importer in accordance with the law of natural justice. However, the importer neither submitted the proper justification and supporting documents in support of declared value, which is lower than value of contemporaneous import of the similar goods having the same country of origin nor availed the personal hearing opportunities. It seems that importer did not have any clarification and supporting documents to support their declared value.

5. On scrutinising, it appears that the declared value is on the lower side as per contemporaneous import data/NIDB. The details of contemporary imports of item with same description by the same importer from the same supplier were taken from NIDB and the same are as under:

Table-B

Sr. No.	BE No. and Date	Importer	Supplier	Item Description	COO	Quantity (in KGs)	Ass. Value in USD/MTS	Port of import
1	3022766 Dated 02.07.202 5	M/s. Mehali Papers Private Limited (IEC- 0314069135)	M/s. GP Harmo n Recycli ng LLC	Waste Paper- Residential Mixed Paper	US	119468	155	INHZA1
2	3022398 dated 02/07/202	M/s. Mehali Papers Private	M/s. GP Harmo	Waste Paper- Residential	US	123107	156	INHZA1

	5	Limited (IEC-0314069135)	n Recycli ng LLC	Mixed Paper				
3	3137254 Dated 08/07/202 5	M/s. Mehali Papers Private Limited (IEC-0314069135)	M/s. GP Harmo n Recycli ng LLC	Waste Paper- Residential Mixed Paper	US			INHZA1
						212729	162	

6. As per para 12(1) of CVR, 2007 declared value of the goods can be rejected “*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*”.

7. In view of above, it is found that lower declared value may be due the possibility of invoice manipulation or under-invoicing or un-realistic price or where transaction value of the goods declared is low cannot be ruled out. Moreover, since the imported commodity is prone to under valuation, so, declared value is not acceptable and same is liable for rejection under rule 12 of CVR, 2007. Since declared value of the goods has been rejected, it has to be Re-determined as per CVR, 2007, relevant part of CVR, 2007 is reproduced below: -

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;

Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.

(b) In applying this rule, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the value of imported goods.

(c) Where no sale referred to in clause (b) of sub-rule (1), is found, the transaction value of identical goods sold at a different commercial level or in different quantities or both, adjusted to take account of the difference attributable to commercial level or to the quantity or both, shall be used, provided that such adjustments shall be made on the basis

of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustments, whether such adjustment leads to an increase or decrease in the value.

(2) Where the costs and charges referred to in sub-rule (2) of rule 10 of these rules are included in the transaction value of identical goods, an adjustment shall be made, if there are significant differences in such costs and charges between the goods being valued and the identical goods in question arising from differences in distances and means of transport.

(3) In applying this rule, if more than one transaction value of identical goods is found, the lowest such value shall be used to determine the value of imported goods.

Rule 5. Transaction value of similar goods. -

(1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:

Provided that such transaction value shall not be the value of the goods provisionally assessed under Section 18 of the Customs Act, 1962.

(2) The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, mutatis mutandis, also apply in respect of similar goods.

Rule 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.

Provided that at the request of the importer, and with the approval of the proper officer, the order of application of rules 7 and 8 shall be reversed.

Rule 7. Deductive value.-

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -

(i) either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;

(ii) the usual costs of transport and insurance and associated costs incurred within India;

(iii) the customs duties and other taxes payable in India by reason of importation or sale of the goods.

(2) If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule (1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of ninety days after such importation.

(3) (a) If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.

(b) In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).

Rule 8. Computed value.-

Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-

(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;

(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;

(c) the cost or value of all other expenses under sub-rule (2) of rule 10.

Rule 9. Residual method.-

(1) Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India;

Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.

- (2) *No value shall be determined under the provisions of this rule on the basis of -*
- (i) the selling price in India of the goods produced in India;*
 - (ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;*
 - (iii) the price of the goods on the domestic market of the country of exportation;*
 - (iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;*
 - (v) the price of the goods for the export to a country other than India;*
 - (vi) minimum customs values; or*
 - (vii) arbitrary or fictitious values.*

8. For the reasons mentioned above, the value declared by the importer appeared liable for rejection under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Rule 3 of the Customs Valuation Rules 2007. The values of the subject goods need to be re-determined by moving from Rule 4 to 9 sequentially. In order to determine the value of the said goods, the exact identical goods on same commercial level was available in import data, therefore, value was to be determined under Rule 4. However, it was observed that the data for similar goods with identical description having the same importer and same supplier and of comparable quantity were found in NIDB for the contemporary times against various Bs/E.

9. Therefore, the value was re-determined as per Rule 4 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Therefore, resorting to the value of similar goods imported vide B/E no. 3022766 Dated 02.07.2025, 3022398 dated 02/07/2025 and 3137254 Dated 08/07/2025, i.e. 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.

IMPORTER'S SUBMISSION

10. Personal Hearing opportunities were also given to the importer through the query to attend in virtual mode to follow the law of Natural Justice. However, the importer neither submitted the proper justification and supporting documents in support of declared value, which is lower than value of contemporaneous import of the similar goods having the same country of origin nor availed the personal hearing opportunities.

DISCUSSION & FINDINGS

11. I have carefully gone through the records of the case and documents uploaded in e-sanchit. The issue to be decided is whether valuation of "Waste Paper -Residential Mixed Paper" in Bill of Entry No. 4383852 dated 09.09.2025 is appropriate and applicable duties paid thereon.

12. The subject Bill of Entry was marked to FAG for assessment. On perusal of the documents filed by the importer i.e. Invoice No. 451002143871 and declaration in BE, the unit price is USD 144/MTS. On further going through the import data, the declared value was found lower than value of the contemporaneous import of the similar goods having the same country of origin, same importer and same supplier.

12.1 The opportunities were given through raising the queries in the system for uploading the documents and clarification in support of declared value. The virtual personal hearing opportunities were granted to the importer vide the same query in accordance with the law of natural justice. However, the importer neither submitted the proper justification and supporting documents in support of declared value, which is lower than value of contemporaneous import of the similar goods having the same country of origin nor availed the personal hearing opportunities. It seems that importer did not have any clarification and supporting documents to support their declared value.

13. Further, it was noticed that the "Waste Paper -Residential Mixed Paper" is assessed at higher value in import at INHZA1 and the NIDB data for the said commodity reflected that the unit price for contemporaneous imports (at Table-B) is assessed at higher rate than the unit price declared by the importer for identical/similar goods in the said Bill of Entry. The Bills of Entry No. vide B/E no. 3022766 dated 02.07.2025, 3022398 dated 02/07/2025 and 3137254 dated 08/07/2025 mentioned in Table-B are from the same country, by the same importer, from the same supplier and wherein value of the identical/similar goods is higher. Therefore, it appears that the importer has deliberately declared the said goods at lower value and the proper officer has reason to doubt the truth and accuracy of transaction value.

14. In view of the above, the declared value cannot be accepted as the true transaction value under Rule 3 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 and the same, therefore, is liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Rule 3 of the Customs Valuation Rules 2007. Hence, the value of the subject goods needs to be re-determined by proceeding sequentially through 4 to 9 of the Customs Valuation (Determination of Value goods) Rules, 2007.

15. I also find that the exact identical goods are imported by the subject importer from the same supplier vide various Bills of Entries available in NIDB data on near about the same commercial level.

16. Therefore, I find that the value of the imported goods is to be re-determined as per Rule 4 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Hence, resorting to the value of identical goods i.e. subject to the provisions of rule 4, 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.

17. I find that the identical goods on nearabout same commercial level imported by the subject importer from the same supplier i.e. M/s. GP Harmon Recycling LLC, One Jericho Plaza, Suite 204, Jericho-11753-1681, New York, USA were available in import data. Therefore, the value of the imported goods is to be re-determined as per Rule 4 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Hence, resorting to the value of identical goods i.e. 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.

18. In view of the foregoing facts and findings, I pass the following order:

ORDER

(i) I reject the declared unit price of 144/- USD/MTS of the goods covered vide Bill of Entry No. 4383852 dated 09.02.2025 and re-determine the same @155 USD/MTS (total re-determined assessable value Rs. 38,57,178.57/- under Rule -4 of Customs Valuation (Determination of Value of Imported Goods) Rules 2007 with consequent duty liabilities, under section 17(5) of Customs Act, 1962. I order to assess the said Bill of Entry accordingly.

19. This order is issued without prejudice to any other action that may be taken in respect of the goods in question and/or against the persons concerned or any other person, if found involved, under the provisions of the Customs Act, 1962, and/or any other law for the time being in force in the Republic of India.


(Kilaru Mahendranadh)

Assistant Commissioner of Customs
Group II (H-K), NS-I, JNCH
Mumbai Customs Zone-II

To,

M/s. Mehali Papers Private Limited(IEC- 0314069135)

D-2/11/B2 Dahej-II, Industrial Estate, TAL VAG Dahej.
Gujarat, 392130.

CB- Ajay Logistics Pvt. Ltd.

(to provide the copy to their importer M/s. Global Traders.)

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