



सीमा शुल्क(अपील) आयुक्त का कार्यालय, अहमदाबाद

OFFICE OF THE COMMISSIONER OF CUSTOMS (APPEALS), AHMEDABAD,

चौथी मंज़िल **4th Floor**, हडको भवन **HUDCO Bhawan**, ईश्वर भुवन रोड़ **Ishwar Bhuvan Road**
नवरंगपुरा **Navrangpura**, अहमदाबाद **Ahmedabad - 380 009**
दूरभाष क्रमांक **Tel. No. 079-26589281**

DIN - 20260171MN000000D151

क	फ़ाइल संख्या FILE NO.	S/49-86/CUS/MUN/2023-24
ख	अपील आदेश संख्या ORDER-IN-APPEAL NO. (सीमा शुल्क अधिनियम, 1962 की धारा 128क के अंतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962)	MUN-CUSTM-000-APP-626-25-26
ग	पारितकर्ता PASSED BY	Shri Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	01.01.2026
ङ	उदभूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	Order-in-Original no. MCH/DC/SP/FA/Gr.III/253/2016-17 dated 19.07.2016
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	01.01.2026
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	M/s. Vids Overseas, 603/604, Samarth Prasad Bldg, Samarth Nagar, Lokhandwala, Nr.Four Bungalows, Andheri(W) Mumbai-400053



1	यह प्रति उस व्यक्ति के निजी उपयोग के लिए मुफ्त में दी जाती है जिनके नाम यह जारी किया गया है।
	This copy is granted free of cost for the private use of the person to whom it is issued.
2.	सीमाशुल्क अधिनियम 1962 की धारा 129 डी डी (1) (यथा संशोधित) के अधीन निम्नलिखित श्रेणियों के मामलों के सम्बन्ध में कोई व्यक्ति इस आदेश से अपने को आहत महसूस करता हो तो इस आदेश की प्राप्ति की तारीख से 3 महीने के अंदर अपर सचिव/संयुक्त सचिव (आवेदन संशोधन), वित्त मंत्रालय, (राजस्व विभाग) संसद मार्ग, नई दिल्ली को पुनरीक्षण आवेदन प्रस्तुत कर सकते हैं।
	Under Section 129 DD(1) of the Customs Act, 1962 (as amended), in respect of the following categories of cases, any person aggrieved by this order can prefer a Revision Application to The Additional Secretary/Joint Secretary (Revision Application), Ministry of Finance, (Department of Revenue) Parliament Street, New Delhi within 3 months from the date of communication of the order.
	निम्नलिखित सम्बन्धित आदेश/Order relating to :
(क)	बैगज़ के रूप में आयातित कोई माल.
(a)	any goods exported
(ख)	भारत में आयात करने हेतु किसी वाहन में लादा गया लेकिन भारत में उनके गन्तव्य स्थान पर उतारे न गए माल या उस गन्तव्य स्थान पर उतारे जाने के लिए अपेक्षित माल उतारे न जाने पर या उस गन्तव्य स्थान पर उतारे गए माल की मात्रा में अपेक्षित माल से कमी हो.
(b)	any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at that destination.
(ग)	सीमाशुल्क अधिनियम, 1962 के अध्याय X तथा उसके अधीन बनाए गए नियमों के तहत शुल्क वापसी की अदायगी.
(c)	Payment of drawback as provided in Chapter X of Customs Act, 1962 and the rules made thereunder.
3.	पुनरीक्षण आवेदन पत्र संगत नियमावली में विनिर्दिष्ट प्रारूप में प्रस्तुत करना होगा जिसके अन्तर्गत उसकी जांच की जाएगी और उस के साथ निम्नलिखित कागजात संलग्न होने चाहिए :
	The revision application should be in such form and shall be verified in such manner as may be specified in the relevant rules and should be accompanied by :
(क)	कोर्ट फी एक्ट, 1870 के मद सं.6 अनुसूची 1 के अधीन निर्धारित किए गए अनुसार इस आदेश की 4 प्रतियां, जिसकी एक प्रति में पचास पैसे की न्यायालय शुल्क टिकट लगा होना चाहिए.
(a)	4 copies of this order, bearing Court Fee Stamp of paise fifty only in one copy as prescribed under Schedule 1 item 6 of the Court Fee Act, 1870.
(ख)	सम्बद्ध दस्तावेज़ों के अलावा साथ मूल आदेश की 4 प्रतियां, यदि हो
(b)	4 copies of the Order-in-Original, in addition to relevant documents, if any
(ग)	पुनरीक्षण के लिए आवेदन की 4 प्रतियां
(c)	4 copies of the Application for Revision.
(घ)	पुनरीक्षण आवेदन दायर करने के लिए सीमाशुल्क अधिनियम, 1962 (यथा संशोधित) में निर्धारित फीस जो अन्य रसीद, फीस, दण्ड, जब्ती और विविध मदों के शीर्ष के अधीन आता है में रु. 200/- (रुपए दो सौ मात्र) या रु. 1000/- (रुपए एक हजार मात्र), जैसा भी मामला हो, से सम्बन्धित भुगतान के प्रमाणिक चलान टी.आर.6 की दो प्रतियां. यदि शुल्क, मांगा गया ब्याज, लगाया गया दंड की राशि और रूपए एक लाख या उससे कम हो तो ऐसे फीस के रूप में रु.200/- और यदि एक लाख से अधिक हो तो फीस के रूप में रु.1000/-
(d)	The duplicate copy of the T.R.6 challan evidencing payment of Rs.200/- (Rupees two Hundred only) or Rs.1,000/- (Rupees one thousand only) as the case may be, under the Head of other receipts, fees, fines, forfeitures and Miscellaneous Items being the fee prescribed in the Customs Act, 1962 (as amended) for filing a Revision Application. If the



	amount of duty and interest demanded, fine or penalty levied is one lakh rupees or less, fees as Rs.200/- and if it is more than one lakh rupees, the fee is Rs.1000/-.
4.	मद सं. 2 के अधीन सूचित मामलों के अलावा अन्य मामलों के सम्बन्ध में यदि कोई व्यक्ति इस आदेश से आहत महसूस करता हो तो वे सीमाशुल्क अधिनियम 1962 की धारा 129 ए (1) के अधीन फॉर्म सी.ए.-3 में सीमाशुल्क, केन्द्रीय उत्पाद शुल्क और सेवा कर अपील अधिकरण के समक्ष निम्नलिखित पते पर अपील कर सकते हैं
	In respect of cases other than these mentioned under item 2 above, any person aggrieved by this order can file an appeal under Section 129 A(1) of the Customs Act, 1962 in form C.A.-3 before the Customs, Excise and Service Tax Appellate Tribunal at the following address :
	सीमाशुल्क, केन्द्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ
	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench
	दूसरी मंज़िल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016
	2 nd Floor, Bahumali Bhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016
5.	सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (6) के अधीन, सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (1) के अधीन अपील के साथ निम्नलिखित शुल्क संलग्न होने चाहिए-
	Under Section 129 A (6) of the Customs Act, 1962 an appeal under Section 129 A (1) of the Customs Act, 1962 shall be accompanied by a fee of -
(क)	अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए या उससे कम हो तो एक हज़ार रूपए.
(a)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is five lakh rupees or less, one thousand rupees;
(ख)	अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए से अधिक हो लेकिन रुपये पचास लाख से अधिक न हो तो; पांच हज़ार रूपए
(b)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees ;
(ग)	अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पचास लाख रूपए से अधिक हो तो; दस हज़ार रूपए.
(c)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than fifty lakh rupees, ten thousand rupees
(घ)	इस आदेश के विरुद्ध अधिकरण के सामने, मांगे गए शुल्क के 10% अदा करने पर, जहां शुल्क या शुल्क एवं दंड विवाद में हैं, या दंड के 10% अदा करने पर, जहां केवल दंड विवाद में है, अपील रखा जाएगा।
(d)	An appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.
6.	उक्त अधिनियम की धारा 129 (ए) के अन्तर्गत अपील प्राधिकरण के समक्ष दायर प्रत्येक आवेदन पत्र- (क) रोक आदेश के लिए या गलतियों को सुधारने के लिए या किसी अन्य प्रयोजन के लिए किए गए अपील :- अथवा (ख) अपील या आवेदन पत्र का प्रत्यावर्तन के लिए दायर आवेदन के साथ रुपये पाँच सौ का शुल्क भी संलग्न होने चाहिए.
	Under section 129 (a) of the said Act, every application made before the Appellate Tribunal-
	(a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or
	(b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees.



ORDER-IN-APPEAL

Appeal has been filed by M/s. Vids Overseas, 603/604, Samarth Prasad Bldg, Samarth Nagar, Lokhandwala, Nr.Four Bungalows, Andheri (W) Mumbai-400053, (hereinafter referred to as the 'Appellant') in terms of Section 128 of the Customs Act, 1962, challenging the Order-in-Original nos. MCH/DC/SP /FA/Gr.III/253/2016-17 dated 19.07.2016 (hereinafter referred to as 'the impugned order') issued by the Deputy Commissioner, Customs, Mundra.

2. Facts of the case, in brief, are that the appellant presented the following Bills of Entry through their CHA M/s Bright Shiptrans Pvt. Ltd., Gandhidham, at Custom House, Mundra, seeking clearance of Mixed lot of 100% Polyester Knitted Fabrics in assorted colour & weight falling under CTH 60053200 of Custom Tariff Act, 1985, originating from China and declaring the unit price as mentioned in the below table:

S. No.	Bill of Entry No.	Date	Qty (Kgs)	Ex. Rate	Declared Unit Price Per Kg (USD)	Assessable Value	Duty Paid Total
1	2114901	3/08/2015	22480.97	64.1	1.93	2809000	759295
2	2199176	8/10/2015	22411.29	64.35	1.93	2811215	759894
3	2343273	24/08/2015	44583.61	65.75	1.93	5714124	1544573
4	2381145	26/08/2015	22251.7	65.75	1.87	2763261	746932
5	9807144	6/07/2015	44520.1	64.25	1.98	5784614	1563627
						Total:	5374322

2.1 The importer claimed the benefit of Sr. No. A 181 of Notfn. No. 72/2005-Cus dt.22.07.2005 which is specifically admissible to the goods falling under CTH 60053200. Thus, in order to ascertain the admissibility of exemption notification and other parameters suitable examination orders were incorporated while assessing the Bills of Entry. It was also found that declared

unit price is around (USD \$1.87/Kg to USD \$1.98/Kg CIF)) Rs.123/Kg whereas the contemporaneous imports of this commodity is (USD 2.2/Kg CIF) Rs.148/Kg during the relevant time. Bills of Entry were assessed provisionally for want of test report from Textile Committee, Mumbai to ascertain the presence of prohibited dyes in terms of Notification No. S.O. 11 108 (E) dated 30.01.90 and S.O. 243 (E) dated 26.03.1997 or otherwise and its composition and for determination of unit price of the goods (valuation). The representative sample of the goods were drawn and sent to the Textile Committee who vide Test report No. 0153031516-3474 Part-I & II) dtd. 16.07.2015 reported that there is no presence of prohibited dyes in terms of Notification No. S.O. 14 108 (E) dated 30.01.90 and S.O. 243(E) dated 26.03.1997 and composition of the said goods reported as 100% Polyester.

2.2 On the basis of Test Report received from the Textile Committee, Mumbai, the Adjudicating Authority took the matter for Final Assessment of Bills of Entry referred above. To follow the principles of natural justice, an opportunity of Personal Hearing granted to the appellant on 01.01.2016, 08.01.2016 & 22.01.2016. In reply to above, appellant, vide their letter dated nil received on 13.01.2016 informed that it is difficult for them to attend the hearing on 12.01.2016 they requested for any other date of hearing after 20.01.2016 but till date no submission made on their behalf or nobody turned up for personal hearing before the undersigned on due date and time.

2.3 Consequently, the Adjudicating Authority passed the order as under:

(a) She rejected the value declared by the importer under the provisions of Rule 12 of CVR, 2007 and re-determined the value as USD 2.2 per Kg CIF under Rule 5 of CVR, 2007 and Bills of Entry referred above were assessed finally.

(b) On finalisation of Bills of Entry mentioned above, she ordered for recovery of differential duty as stated in Col.12 of Table annexed in Para 20 of impugned order under Section 28 (1) read with Section 18 (2) of Customs Act, 1962.

(c) She also ordered for recovery of interest at the appropriate rate under Section 28AA read with Section 18(3) of the Customs Act, 1962.



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2.4 Aggrieved by the order of the Adjudicating Authority, the appellant filed appeal before the Appellate Authority. However, the Appellate Authority, vide OIA No. MUN-CUSTOM-000-APP-079 TO 094-17-18 dated 30.06.2017, rejected the appeal on the grounds that the Appeal Memorandum was not filed by the competent person in terms of Rule 3 of the Custom Appeals Rules, 1982. Further, being aggrieved with said OIA, the Appellant filed further appeal before the Hon'ble CESTAT and Hon'ble CESTAT vide Order A/ 11161-11168/2023 dated 30.05.2023 has remanded back to the Commissioner (Appeals) to provide an opportunity to the appellant to correct this defect.

SUBMISSIONS OF THE APPELLANT:

3. Being aggrieved with the impugned order, the Appellants had earlier filed appeals with the Commissioner (Appeals) .The then Appellate Authority had rejected the appeal vide OIA No. MUN-CUSTOM-000-APP-079 to 094-17-18 dtd. 30.06.2017 as per para 17 & 18 reproduced as under ;

"17 In view of the foregoing discussion and findings, inasmuch as the competency of the appeals having not been established, I am not obliged in law to go into the merits of the purported appeals ignoring the mandatory requirement of law as regards appeal made before the Commissioner (Appeals). This is thus, clearly a case where appeals have been filed without a competent person having signed and verified the same, and treating it to be a case where no proper appeal as provided under the statutory provisions can be taken to have been made before the Commissioner(Appeals), the applications which purport to be appeals preferred by an aggrieved person under Section 128(1) of the Customs Act has, therefore, to be dismissed as non-competent.

18. In the circumstances, all the 16 appeals against the impugned orders are dismissed at the threshold stage as non-competent and non-maintainable in law."

3.1 Being aggrieved with the above OIA No. MUN-CUSTOM-000-APP-079 to 094-17-18 dtd. 30.06.2017, the appellant had filed appeal with Hon'ble CESTAT, Ahmedabad. Hon'ble CESTAT, Ahmedabad vide its Final Order No.

A/11161-11168/2023 dtd. 30.05.2023 remanded the matter back to the Appellate Authority with following direction;

" 5 It is seen that Custom House Agent cannot file appeal under his signature and authorization. Such signature or authorization can be made only if the importer is not in India at the material time and the Custom House Agent or any other person duly authorized for filing appeal in terms of Rule 3 of Customs Appeal Rules, 1982. This deficiency should have been pointed out by the Commissioner (Appeals) to the appellant and the same could have been corrected. This cannot be a ground for rejection of appeal itself. In the interest of justice, we set aside the impugned order and remand the matter back to the Commissioner (Appeals) to treat this as a defect and offer an opportunity to the appellant to correct the same in terms of Rule 3 of the Custom Appeals Rules, 1982

6 The matters are remanded back to the Commissioner (Appeals) to provide an opportunity to the appellant to correct this defect. If the defect is corrected then the matters may be decided by Commissioner (Appeals) on merits."

PERSONAL HEARING:

3. In pursuance of directions issued by the Hon'ble CESTAT, Ahmedabad vide above order, the appellant submitted the rectified appeal memorandum on 01.08.2023. The Grounds of Appeal are not reproduced in detail for sake of brevity, as the copy of the same is available with the Appellant as well Respondent. However, the same have been examined and the brief is as

under:

3.1 The appellant contends that the Adjudicating Authority failed to follow the statutory procedure prescribed under Rule 12 of the Customs Valuation Rules (CVR) 2007. They argue that a declared transaction value can only be rejected if there is a "reasonable doubt" based on specific criteria, such as fraudulent documents or misdeclaration, none of which were established in this case. The authority allegedly bypassed the mandatory requirement to first formally reject the transaction value and record written reasons before attempting to re-determine the value using contemporaneous data.

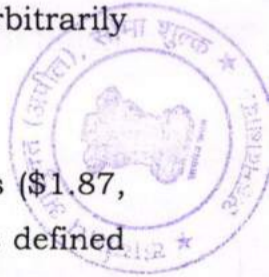


3.2 The appeal highlights a gross violation of the principles of natural justice, noting that the department failed to provide the importer with the specific details of the contemporaneous imports (such as Bill of Entry numbers, quality, and origin) used as a basis for enhancement. Citing Supreme Court precedents like M/s Gira Enterprises, the appellant argues that importers must be given a reasonable opportunity to demonstrate that such transactions are not comparable. Furthermore, they claim the proper officer never asked for additional information or documents to resolve doubts before making assumptions based on NIDB data, which is legally insufficient for rejecting an invoice price.

3.3 The appellant argues that the recourse to Rule 5 of CVR 2007 (valuation based on similar goods) was legally and factually flawed. They point out that for textile products like Polyester Knitted Fabric, factors such as color, size, design, and chemical composition significantly influence price, making it nearly impossible to find "similar goods" that are truly commercially interchangeable. The Adjudicating Authority admitted the goods were not "identical" but failed to provide evidence that the compared goods possessed like characteristics or reputation.

3.4 A major point of contention is the Adjudicating Authority's use of an "average/approximate price" of \$2.20 per Kg to re-determine the value. The appellant asserts that there is no provision under Section 14 of the Customs Act or the CVR 2007 to use average values for assessment. Statutory rules (specifically Rule 4 and 5) mandate that if multiple transaction values are found, the lowest value must be used, whereas the authority in this case arbitrarily used an average of higher-priced imports.

3.5 Finally, the appellant maintains that their declared prices (\$1.87, \$1.93, and \$1.98 USD per Kg) represent the true transaction value as defined under Section 14 of the Customs Act 1962. They state that the price was the sole consideration, the buyer and seller were not related, and all supporting documents (Contracts, LCs, Invoices) confirm the actual payment. Since the price difference between the declared and assessed values was within a normal 20% range and not "significantly higher," they argue there was no justification to discard the invoice price.



PERSONAL HEARING:

4. The appellant was granted personal hearing on 06.01.2025. The appellant had sought adjournment vide letter dtd. 02.01.2025. Thereafter, the appellant was granted personal hearing on 03.02.2025, 21.02.2025, 10.03.2025, 25.03.2025 by the erstwhile appellate authority and on 13.11.2025 by the present appellate authority. However, the appellant has neither attended the personal hearing nor submitted any submission. I therefore proceed to decide the case on the basis of records available before me.

DISCUSSION AND FINDINGS:

5. I have carefully gone through the case records, impugned order passed by the Deputy Commissioner, Customs, Mundra and the defense put forth by the Appellant in their appeal. I find that ample opportunities for personal hearing have been given to the Appellant in the matter but they have failed to appear for the same.

5.1 The valuation of imported goods is governed by Section 14 of the Customs Act, 1962, read with CVR 2007. While Section 14(1) emphasizes that the value shall be the "transaction value," it is subject to the condition that the buyer and seller are not related and the price is the sole consideration. However, the "transaction value" is not an absolute or sacrosanct figure that the department is bound to accept in every case. Rule 12 of the CVR 2007 (Rejection of Declared Value) provides that where the Proper Officer has reason to doubt the truth or accuracy of the value declared, he may ask the importer to furnish further information. If, after receiving such information, the officer still has reasonable doubt, the transaction value can be rejected, and the value determined sequentially through Rules 4 to 9. In the instant case, the AA compared the declared price (USD 1.87-1.98/kg) with contemporaneous data (USD 2.20/kg). Explanation (1)(iii)(a) to Rule 12 explicitly states that "the significantly higher value at which identical or similar goods imported at or about the same time in comparable quantities" is a valid ground for doubting the truth or accuracy of the declared value.

5.2 The Appellant argues that the department failed to prove that the transaction value was not genuine. I find this argument flawed. The burden of proof in valuation cases is a two-way street. Once the department produces evidence of contemporaneous imports at a significantly higher price, the "onus"



[Handwritten signature]

shifts to the importer to explain the disparity. The Appellant's claim that "100% Polyester Knitted Fabric" varies in price due to quality is a generic statement. In the textile trade, particularly for bulk imports from China, commodities like polyester knitted fabrics are highly standardized. Unless the Appellant provides a technical analysis (test reports, GSM variation, or specific contract clauses) justifying a 15-20% lower price than the market average, the declared value remains under the shadow of doubt. In **Century Metal Recycling Pvt. Ltd. vs. Union of India [2019 (367) E.L.T. 3 (S.C.)]**, the Hon'ble Supreme Court held:

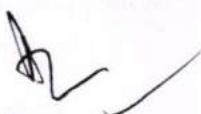
"Proper officer can therefore reject the declared transactional value based on 'certain reasons' to doubt the truth or accuracy of the declared value in which event the proper officer is entitled to make assessment as per Rules 4 to 9 of the 2007 Rules."

The Adjudicating Authority has recorded the reasons in the OIO, citing specific contemporaneous imports. Therefore, the rejection of the transaction value under Rule 12 is procedurally and legally sound.

5.3 After rejecting the transaction value under Rule 12, the Adjudicating Authority proceeded to Rule 5 of CVR 2007. Rule 5 allows valuation based on the value of "similar goods" imported into India at or about the same time. "Similar goods" are defined as those which, although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable. The fabrics imported by the Appellant and those cited in the contemporaneous data are both "100% Polyester Knitted Fabrics" from China. They are commercially interchangeable in the Indian market.

5.4 The Appellant's reliance on Eicher Tractors Ltd. is misplaced. The Eicher Tractors judgment involved a case where the supplier had given a special discount for "obsolete" stock. In the present case, there is no evidence of the goods being obsolete or any special commercial reason for the low price. The Hon'ble Supreme Court in **Varsha Plastics Pvt. Ltd. vs. Union of India [2009 (235) E.L.T. 193 (S.C.)]** has clarified that when contemporaneous import evidence is available, the Eicher Tractors ratio cannot be applied blindly to prevent the department from investigating undervaluation.

5.5 The Appellant cited several cases to argue that NIDB data cannot be the sole basis for loading. I have examined these:



- **Gira Enterprises vs. Commissioner of Customs [2014 (307) E.L.T. 209 (S.C.)]:** In this case, the court ruled against the importer because they failed to provide evidence of the transaction being at arm's length when confronted with higher valuation of similar goods. This actually supports the Revenue's stance here.

5.6 In contrast, the Revenue's position is supported by **Radhey Shyam Ratanlal vs. CC [2009 (238) E.L.T. 14 (S.C.)]**. The court affirmed that the value of similar goods is a valid benchmark when the declared price is suspiciously low.

5.7 The textile industry is a "sensitive" sector where undervaluation is a common phenomenon to evade ad-valorem duties. The Appellant has not provided price lists from the manufacturer showing that USD 1.87 was the standard export price to India, proof that the goods were "B-grade" or "Stock-lot" to justify the low price, any correspondence with the supplier explaining the low price. In the absence of such evidence, the "reasonable doubt" of the Adjudicating Authority attains the status of a "proven fact" of undervaluation. The Adjudicating Authority has not used NIDB as a "rule" but as a "lead" to investigate, which is exactly what Rule 12 intends. The use of Rule 5 (Similar Goods) at USD 2.20/kg—which was the prevailing rate for numerous other importers of the same commodity from the same region—is the most equitable and legal method of re-determination.

5.8 The Adjudicating Authority has followed the sequential order of valuation. Rule 4 (Identical Goods) could not be applied due to lack of identical data; hence, Rule 5 (Similar Goods) was correctly invoked. The rejection of the transaction value is not based on "whims and fancies" but on empirical data of contemporaneous imports. The judicial precedents cited by the Appellant are distinguished as they pertain to specific fact-patterns (discounts, obsolescence) which are absent in this case.

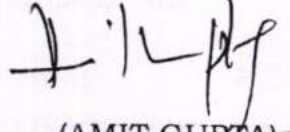
6. In view of the detailed discussion and findings recorded above, I hold that:

- The rejection of the transaction value under Rule 12 of CVR 2007 is upheld.
- The re-determination of the assessable value at USD 2.20 per kg under Rule 5 of CVR 2007 is upheld.

- c. The demand for differential duty along with interest as confirmed in the OIO is upheld.
7. The appeal filed by M/s. Vids Overseas is hereby rejected.

सत्यापित/ATTESTED

अधीक्षक/SUPERINTENDENT
सीमा शुल्क (अपील्स), अहमदाबाद.
CUSTOMS (APPEALS), AHMEDABAD


(AMIT GUPTA)
Commissioner (Appeals),
Customs, Ahmedabad

F. No. S/49-86/CUS/MUN/2023-24

Date: 01.01.2026

By Speed post/E-Mail

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To,
M/s. Vids Overseas,
603/604, Samarth Prasad Bldg,
Samarth Nagar, Lokhandwala,
Nr.Four Bungalows, Andheri(W)
Mumbai-400053



Copy to:

1. The Chief Commissioner of Customs, Gujarat, Custom House, Ahmedabad.
2. The Principal Commissioner of Customs, Custom House, Mundra.
3. The Deputy/Assistant Commissioner of Customs, Custom House, Mundra.
4. Guard File.