

	प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOM HOUSE: MUNDRA, KUTCH MUNDRA PORT & SPL ECONOMIC ZONE, MUNDRA-370421 ई-मेल/ E-Mail: group5-mundra@gov.in	
A	फा./सं. FILE NO.	CUS/APR/MISC/139/2026-Gr 5-6-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ADC/ZDC/531/2025-26
C	द्वारा पारित किया गया PASSED BY	Dipak Zala, Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	08-01-2026
E	जारी करने की तिथि DATE OF ISSUE	08-01-2026
F	कारण बताओ नोटिस संख्या तिथि . SCN NO. & DATE	Importer requested for SCH & PH Waiver
G	नोटिसीपार्टी / आयातक/ NOTICEE/PARTY/ IMPORTER	M/s. Cherry Traders (IEC No. EMFPM8502Q) Shop No. 61/42, Site Mor Land, Kalkaji Extn, New Delhi - 110 019
H	डिन DIN	20260171MO000000A0E1

1. यह अपील आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।

This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 129A(1) के अंतर्गत प्रपत्र सीए3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

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

“सीमा शुल्क आयुक्त) अपील, चौथी मंजिल, हुड्को बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद 380009”

“The Commissioner of Customs (Appeals), Mundra, 4TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009.”

3. उक्त अपील यह आदेश भेजने की दिनांक से तीन माह के भीतर दाखिल की जानी चाहिए।

Appeal shall be filed within three months from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/-रुपये का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए -

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

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।

The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paisa only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटी/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.

7. अपील प्रस्तुत करते समय, सीमा शुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (Appeals) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।

An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

BRIEF FACTS OF THE CASE

M/s. Cherry Traders (IEC- EMFPM8502Q), (hereinafter referred to as 'Importer') having address Shop No. 61/42, Site Mor Land, Kalkaji Extn, New Delhi-110019 had filed Z Bill of Entry No. 5705369 dated 14.11.2025 for import of the following goods as mentioned in Table-A below. The details of the Z Bill of Entry are as follows:

Table-A

(1USD = 89.5 INR)

S. No.	Description	CTH	Package/cartoon	Quantity	UQC	Unit Price (USD)	Total value (USD)
1	Battery Cell (for Mobile)	85076000	200	10000	DOZ	0.22	2200
2	Fancy Light (For Motorcycle)	85122020	71	426	DOZ	0.55	234
3	Touch Wire (for mobile repairing)	83119000	5	751	DOZ	0.20	150
4	Pliers for mobile repairing	82032000	2	42	DOZ	0.65	27.3
5	Soldering Pad (for mobile repairing)	85158090	1	17	DOZ	0.25	4.25
6	Jumping Wire (for Mobile repairing)	85158090		9	DOZ	0.30	2.7
7	Soldering Wire (for mobile repairing)	83119000	2	251	DOZ	0.35	87.85
8	Cleaning Wipes (For mobile repairing)	63071090	13	417	DOZ	0.15	62.55
9	Power bank (R-81017043)	85076000	7	64	DOZ	6	384
10	USB cable	85447090	73	6084	DOZ	0.16	973.44
11	Pressure Switch	85365090	1	84	DOZ	0.10	8.4
12	Charging Adapter(for Mobile)	54044090	43	667	DOZ	0.90	600
13	Car Charger	85044090	12	250	DOZ	0.60	150
14	BT Handsfree (R-41232995)	85183019	156	2125	DOZ	1	2125
15	Battery (for Laptop) (41150720)	85076000	18	61	DOZ	3.50	213.5
16	Multi-Port Power point	85044090	12	47	DOZ	4	188
17	Film Cutting Machine	84798999	50	100	PCS	6	600
18	BT Speaker (R-41280542)	85182290	21	22	DOZ	12	264
19	Parts (for CCTV CAMERA)	85258900	3	28	KGS	0.45	12.6
20	Microscope (for mobile repairing)	90118000	50	100	PCS	8	800
21	Poe Switch	85299090	37	52	DOZ	0.70	36.4
22	HDMI Optical Converters	85439000	4	10	DOZ	1.5	15

23	Screen Proctive Film Roll	39269099	22	2290	MTR	0.15	343.5
24	Packing Material (Paperboard)	48191090	65	863	KGS	0.48	414.24
	Total		868				9897.53 (USD)

2. Based upon NCTC alert, the consignment covered under Z Bill of Entry No. 5705369 dated 14.11.2025 was put on hold for SIIB examination. The examination of the consignment covered under said Bill of Entry was carried out in M/s. Allcargo CFS, Mundra Mundra in presence of Shri Narendra Sinh G. Jadeja, Authorised Representative of the importer, M/s. Cherry Traders and Shri Suman Kumar Subudhi, Deputy Manager, M/s Allcargo CFS, Mundra. At the said CFS, Shri Suman Kumar Subudhi, Deputy Manager, M/s. Allcargo CFS, Mundra confirmed that the consignment was lying near the warehouse of the CFS. Shri Narendra Sinh G. Jadeja, Authorised Representative of M/s Cherry Traders, produced the documents relating to the consignment, including the checklist of Z B/E No. 5705369 dated 14.11.2025, along with the Invoice, Packing List, and Bill of Lading. Further, Shri Suman Kumar Subudhi, Deputy Manager, M/s ALL Cargo CFS, Mundra, submitted the weighment slip generated at the CFS weighbridge.

Details are as under:

Sr. No.	Gross weight (Kg) as per BL	Weight (Kg) as per weighment Slip of CFS	Difference Excess (Kg)
1	16130 kgs	16330 kgs	200 kgs

During the examination, it was found that the goods were packed in Cartons/packages wrapped in PP Woven bag Sheet. Thereafter, with the help of labour and surveyor, all the corrugated boxes and PP bags were segregated and quantified. The total quantity found were 868 corrugated boxes and PP bags.

The randomly selected corrugated boxes and PP bags were opened and the goods appear to be as declared in the Bill of Entry. No concealment was noticed during the examination.

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

Table-B

S. No.	Description	Package/carton/bags	PCS/BOX	Total PCS	Quantity in DOZ	Approx. Weight of One Package (KGS)	Total Weight in KGS
1	Battery Cell (for Mobile)	200	600	12000	10000 DOZ	21.5	4300
2	Fancy Light (For Motorcycle)	40	50	2000	167 DOZ	10.14	405.6
		31	100	3100	259 DOZ	11	341
3	Touch Wire	4	2000	8000	667 DOZ	20.95	83.8
		1	1000	1000	84 DOZ	10.9	10.9
	Pliers for						

4	mobile repairing	2	250	500	42 DOZ	22.12	44.24
5	Soldering Pad (for mobile repairing)	1	2*100	200	17 DOZ		
6	Jumping Wire (for Mobile repairing)		2*50	100	9 DOZ	11.6	11.6
7	Soldering Wire (for mobile repairing)	2	10 samll Box*44	440	37 DOZ		
			16 big boxes*160	2560	214 DOZ	14.93	29.86
8	Cleaning Wipes (For mobile repairing)	7	400	2800		36.19	253
		1	200	200		16.8	16.8
		5	400	2000	167	42.8	214
9	Power bank (R-81017043)	5	99	495	42	23.7	118.5
		2	132	264	22	29	58
10	USB cable	73	1000	73000	6074	23.29	1700
11	Pressure Switch	1	1000	1000	84	12.5	12.5
12	Charging Adapter(for Mobile)	1	140	140		17.5	17.5
		27	180	4860		27.17	733.6
		15	200	3000		21.4	321
13	Car Charger	12	250	3000	250	21.4	256.8
14	BT Handsfree	150	100	15000	1250	5.6	840
		1	500	500	42	18.5	18.5
		With Wire	5	2000	10000	833	22.2
15	Battery (for Laptop) (41150720)	18	-	740	61	11.4	205
16	Multi-Port Power point	12	48	576	48	17.1	205.2
17	Film Cutting Machine	50	2	100	100 PCS	20.5	1025
18	BT Speaker (R-41280542)	21	-	264	22	32.7	654
19	Parts (for CCTV CAMERA)	3	-	4000	4000 PCS		27.5
20	Microscope (for mobile repairing)	50	2	100	100 PCS	12.5	625
21	Poe Switch	37		604	51 DOZ	25.5	841
22	HDMI Optical	4	30	120	10 DOZ	14.8	59.2

23	Converters Screen Protective Film Roll	22	100 MTR /per Roll	-	2200 MTR	-	1713
	Packing Material (Paperboard)	20	-	-	-	8.1	
24	Packing Material (packing Paper of papercover of bateriy)	20	-	-	-	21.5	959
	Packing Material (Plastic cover)	25	-	-	-	14.7	
	Total	868					16212.1

The quantity and/ or weight of the declared goods appear approx. same as declared by the importer in the said Bill of Entry. However, the goods appear undervalued covered under the said Bill of Entry.

3. Rejection and Re-Determination of Valuation:

3.1. The inconsistency observed in filing the Bill of Entry suggests deliberate undervaluation.

3.2. As there is mis-declaration in valuation in the Z Bill of Entry No. 5705369 dated 14.11.2025, thus they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Since, mis-description of the goods, which have relevance to value, was noticed, the declared value of the undervalued goods is liable to be determined in terms of Rule 12, explanation 1 (i), of the Customs Valuation Rules (CVR), 2007, by going sequentially from Rule 2 to 9 thereof. Determination of valuation:

a) Efforts were made to find out the correct assessable value of the imported goods found undervalued. It was observed that the imported goods were found in different variety, description, specification and quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data extracted with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/ found, therefore, the value could not be determined under Rules 4 and 5 of CVR, 2007.

b) As per Rule 6 ibid, if the value cannot be determined under Rules 3, 4 and 5 same shall be determined under the provisions of Rule 7 or when same cannot be determined under that rule then under Rule 8.

c) As the imported goods were found to be non-standard, the sale price of identical or similar goods was not available in the domestic market as the goods are miscellaneous in nature and found in different variety, description, specification, model, brand, make, sizes and quality, therefore, determination of transaction value under Rule 7 of CVR, 2007 was not possible.

d) As substantial data related to the cost or value of materials and fabrication or other processing employed in producing the imported goods required to compute the value under Rule 8 is also not available. Therefore, valuation of the impugned goods could not be ascertained under Rule 8 of CVR, 2007.

e) Hence, valuation of the goods is to be determined under residual method of valuation provided under Rule 9 of the CV Rules ibid.

Accordingly, empanelled Chartered Engineer was appointed for the valuation of the goods. The Chartered Engineer vide Report Ref. No. AYK:VAL:02728:2025 dated 10.12.2025 has suggested the valuation of the imported goods covered under Z Bill of Entry no. 5705369 dated 14.11.2025 as under:

Table-C

(1USD = 89.5 INR)

SR. NO.	DESCRIPTION OF GOODS	UNIT	QTY KGS \NOS.	PER UNIT CIF VALUE - ASSESSED BY CE IN INR (APPROX.)	PER UNIT AVERAGE CIF VALUE - ASSESSED BY C.E. IN USD (APPROX.)	TOTAL AVERAGE CIF VALUE - ASSESSED BY C.E. IN USD (APPROX.)	TOTAL CIF VALUE - ASSESSED BY CE IN INR (APPROX.)
1	BATTERY CELL (FOR MOBILE)	DZ	10000	26.85	0.30	3000	268500.00
2	FANCY LIGHTS (FOR MOTORCYCLE)	DZ	426	49.23	0.55	234.30	20969.85
3	TOUCH WIRE (FOR MOBILE REPAIRING)	DZ	751	17.90	0.20	150.20	13442.90
4	PLIERS (FOR MOBILE REPAIRING)	DZ	42	62.65	0.70	29.40	2631.30
5	SOLDERING PAD (FOR MOBILE REPAIRING)	DZ	17	22.38	0.25	4.25	380.38
6	JUMPING WIRE (FOR MOBILE REPAIRING)	DZ	9	26.85	0.30	2.70	241.65
7	SOLDERING WIRE (FOR MOBILE REPAIRING)	DZ	251	31.33	0.35	87.85	7862.58
8	CLEANING WIPES (FOR MOBILE REPAIRING)	DZ	417	13.43	0.15	62.55	5598.23
9	POWER BANK	DZ	64	716.00	8.00	512.00	45824.00
10	USB CABLE	DZ	6084	17.01	0.19	1155.96	103458.42
11	PRESSURE SWITCH	DZ	84	13.43	0.15	12.60	1127.70
12	CHARGING ADAPTER (FOR MOBILE)	DZ	667	134.25	1.50	1000.50	89544.75
13	CAR CHARGER	DZ	250	89.50	1.00	250.00	22375.00
14	BT HANDSFREE	DZ	2125	134.25	1.50	3187.50	285281.25
15	BATTERY (FOR LAPTOP)	DZ	61	537.00	6.00	366.00	32757.00
16	MULTI-PORT POWER POINT	DZ	47	358.00	4.00	188.00	16826.00
17	FILM CUTTING MACHINE	DZ	100	716.00	8.00	800.00	71600.00
18	BT SPEAKER	DZ	22	2148.00	24.00	528.00	47256.00
19	PARTS (FOR CCTV CAMERA)	KGS	28	40.28	0.45	12.60	1127.70
20	MICROSCOPE (FOR MOBILE REPAIRING)	PCS	100	895.00	10.00	1000.00	89500.00
21	POE SWITCH	DZ	52	71.60	0.80	41.60	3723.20
	HDMI OPTICAL		10	179.00	2.00	20.00	1790.00

22	CONVERTERS	DZ					
23	SCREEN PROTECTIVE FILM ROLL	MTR	2290	13.43	0.15	343.50	30743.25
24	PACKING MATERIAL	KGS	863	42.96	0.48	414.24	37074.48
	TOTAL		24,760.00			13,403.75 USD	11,99,635.63

In view of the above, it appears that as per CE report, the total assessable value of the imported goods comes to the tune of Rs. 11,99,636/- instead of Rs. 8,85,829/- as declared in the Z bill of entry no. 5705369 dated 14.11.2025.

3.3 Therefore, the value provided by the Chartered Engineer may be considered as the assessable value of these goods. Therefore, the invoice value of the goods is required to be rejected under Rule 12 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 and re-determined under Rule 9 of the Customs Valuation (Determination of value of imported goods) Rules, 2007. Accordingly, the assessable value of the imported goods appear to be re-determined as Rs. 11,99,636/- instead of total assessable value of Rs. 8,85,829/- as declared in the said BE and the duty as per re-determined assessable value, is calculated as under:

TABLE-D

S. N. o.	Description	CT H	Qu antity	U Q C	TOTAL CIF VALUE ASS ESSED BY CE IN INR (APPROX.)	BCD@20%, 15%,10%, 7.5% whichever is applicable	SWS @10 %	IGST @18%, 5%	Total D u ty in Rs.
1	Battery Cell (for Mobile)	850 760 00	100 00 00	D O Z	268500.00	53700	5370	58963	118032.6
2	Fancy Light (For Motorcycle)	851 220 20	426	D O Z	20969.85	3145	315	4397	7857.403
3	Touch Wire (for mobile repairing)	831 190 00	751	D O Z	13442.90	1344	134	2686	4164.61
4	Pliers for mobile repairing	820 320 00	42	D O Z	2631.30	263	26	526	815.1767
5	Soldering Pad (f or mobile repairi ng)	851 580 90	17	D O Z	380.38	38	4	76	117.8402
6	Jumping Wire (for Mobile repai ring)	851 580 90	9	D O Z	241.65	36	4	51	90.54626
7	Soldering Wire (f or mobile repairi ng)	831 190 00	251	D O Z	7862.58	786	79	1571	2435.826
8	Cleaning Wipes (For mobile repa ring)	630 710 90	417	D O Z	5598.23	560	56	311	926.5062
9	Power bank (R-8 1017043)	850 760 00	64	D O Z	45824.00	9165	916	10063	20144.23
10	USB cable	854 470 90	608 4 90	D O Z	103458.42	0	0	18623	18622.52
11	Pressure Switch	853 650 90	84	D O Z	1127.70	113	11	225	349.3615
12	Charging Adapter(for Mobile)	540 440 90	667	D O Z	89544.75	17909	1791	19664	39363.87
13	Car Charger	850 440	250	D O	22375.00	4475	448	4914	9836.05

14	BT Handsfree (R-41232995)	90 851 830 19	212 5	Z D O Z	285281.25	57056	5706	62648	125409. 6
15	Battery (for Laptop) (41150720)	850 760 00	61	D O Z	32757.00	6551	655	7193	14399.9 8
16	Multi-Port Power point	850 440 90	47	D O Z	16826.00	3365	337	3695	7396.71
17	Film Cutting Machine	847 989 99	100	P C S	71600.00	5370	537	13951	19858.2 6
18	BT Speaker(R-41280542)	851 822 90	22	D O Z	47256.00	9451	945	10377	20773.7 4
19	Parts (for CCTV CAMERA)	852 589 00	28	K G S	1127.70	226	23	248	495.736 9
20	Microscope (for mobile repairing)	901 180 00	100	P C S	89500.00	6713	671	17439	24822.8 3
21	Poe Switch	852 990 90	52	D O Z	3723.20	558	56	781	1395.08 3
22	HDMI Optical Converters	854 390 00	10	D O Z	1790.00	134	13	349	496.456 5
23	Screen Protective Film Roll	392 690 99	229 0	M T R	30743.25	4611	461	6447	11519.5
24	Packing Material (Paperboard)	481 910 90	863	K G S	37074.48	3707	371	2058	6135.82 6
Total					11,99,635.63	189279	1892 8	24725 4	455460. 3

3.4 From the above TABLE-D, it appears that the importer was liable to pay the duty (BCD + SWS + IGST) of Rs. 4,55,460/- on the import of declared goods instead of Rs. 3,27,736/- as self-assessed by the importer in the said BE, thus there appears non/short levy of Customs duty amounting to Rs. 1,27,724/-[Rs. 4,55,460/- (minus) Rs. 3,27,736/-]. Thus, by the act of omission and commission at the level of importer, it appears that, these goods are liable for confiscation under section 111(m) the Customs Act, 1962.

4. RELEVANT LEGAL PROVISIONS:

(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:

2. Definitions.— In this Act, unless the context otherwise requires,—

.....

(o) “import” means—

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

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

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

1. *The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
2. *The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.*
3. *Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.*

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

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

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

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

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

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

B. RELEVANT PROVISIONS OF SPECIAL ECONOMIC ZONES RULES, 2006:

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

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

Central Excise Act, 1944, and the Finance Act, 1994 and the rules made thereunder or the notifications issued thereunder.

(C) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

Section 2(22): "goods" includes (a) vessels, aircrafts and vehicles; (b) stores; (c) baggage; (d) currency and negotiable instruments; and (e) any other kind of movable property;

Section 2(23): "import", with its grammatical variations and cognate expressions, means bringing into India from a place outside India;

Section 2(25): "imported goods", means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;

Section 2(26): "importer", in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes [any owner, beneficial owner] or any person holding himself out to be the importer;

Section 2(39): "smuggling", in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113.

Section 11A: "illegal import" means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force.

Section 46. Entry of goods on importation:

(4) The importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, relating to the imported goods.

(4A) the importer who presents a bill of entry shall ensure the following, namely:

- (a) The accuracy and completeness of the information given therein;
- (b) The authenticity and validity of any document supporting it; and
- (c) Compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

Section 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:*

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

"Rule 9. Residual method. –

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

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

(2) No value shall be determined under the provisions of¹ this rule on the basis of –

- (i) the selling price in India of the goods produced in India;*
- (ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;*
- iii. the price of the goods on the domestic market of the country of exportation;*
- iv. the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;*
- v. the price of the goods for the export to a country other than India;*
- vi. minimum customs values; or*
- (vii) arbitrary or fictitious values."*

Rule 12. Rejection of declared value. – (1) *When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, he may ask the importer of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such importer, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such imported goods cannot be determined under the provisions of sub-rule (1) of rule 3.*

5. Summary of Investigations Conducted:

Accordingly, the assessable value of the imported goods appear to be re-determined as **Rs. 11,99,636/-** as per CE report. Accordingly, total duty on these imported goods comes to the tune of Rs. 4,55,460/- as discussed at para-supra instead of Rs. 3,27,736/- as self-assessed by the importer in the said BE, thus there appears non/short levy of Customs duty amounting to **Rs. 1,27,724/-[Rs. 4,55,460/- (minus) Rs. 3,27,736/-]**. Thus, by these act of omission and commission at the level of importer, it appears that, the importer has contravened the provisions of Section 46 and Section 17 of the Customs Act, 1962, in as much as, they failed to make correct and true declaration and information in the form of Bill of Entry and also failed to assess their duty liability correctly and hence are liable for penalty under Sections 112(a)(ii) of the Customs Act, 1962.

The relevant portion of said provisions is as under:

Section 17. Assessment of duty. –

(1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

..

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

Section 46. Entry of goods on importation. –

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

6. The importer vide letter dated 19.12.2025 submitted that they do not want any SCN and PH in the matter and are ready to pay duty, interest, fine & penalty, if arises and has given their acceptance of the Chartered Engineer Report Ref. No. AYK:VAL:02728:2025 dated 10.12.2025. They have submitted applicable BIS/PIMS/EPC/WPA for goods as mentioned in the Z bill of entry no. 5705369 dated 14.11.2025.

PERSONAL HEARING AND SUBMISSIONS

7. The importer M/s. Cherry Traders vide letter dated 06.01.2026 has submitted the following:

“..... we had imported goods vide Bill of Lading No. EGLV147501580844 dated 24/10/2025 and filed Bill of Entry No. 5705369 dated 14-11-2025 at Mundra Port.

The valuation of the said goods has been duly carried out by a Chartered Engineer (CE). We hereby confirm that we fully agree with and accept the value determined by the Chartered Engineer.

We also request your kind office to waive the issuance of Show Cause Notice (SCN) and Personal Hearing (PH), and to decide the matter on merits.

We assure you of our full cooperation and compliance with all customs formalities.”

DISCUSSION AND FINDINGS

8. I have carefully gone through the records of the case and Investigation Report No. 208/2025-26 dated 06.01.2026. The importer vide letter dated 06.01.2026 has requested for waiver of Show Cause Notice and personal hearing in the matter. Thus, I find that the principles of natural justice as provided under Section 122A of the Customs Act, 1962 have been complied with and I proceed to decide the case on the basis of documentary evidence available on record. The main issues to be decided are:

- (i) Whether the declared assessable value of the goods i.e. **Rs. 8,85,829/-**, is liable to be rejected and the same needs to be re-determined as **Rs. 11,99,636/-** under Rule 9 of the Customs Valuation Rules, 2007;
- (ii) Whether the self-assessment done by the importer is liable to be rejected and the BE

needs to be re-assessed with differential duty of **Rs. 1,27,724/-** under **Section 17(4)** of the Customs Act, 1962;

(iii) Whether the goods imported vide Bill of Entry No. 5705369 (Z-type) dated 14.11.2025 having re-determined value of **Rs. 11,99,636/-**, are liable for confiscation under **Section 111(m)** of the Customs Act, 1962;

(iv) Whether the importer is liable for penalty under **Section 112(a)(ii)** of the Customs Act, 1962.

9.1 Regarding the first issue, I find that the importer has imported goods declared as various mobile and electronic accessories under multiple CTH headings with declared assessable value of **Rs. 8,85,829/-** vide Z type Bill of Entry No. 5705369 dated 14.11.2025. However, on physical examination conducted, it was found that while the goods were as declared in terms of description and quantity, the valuation of the goods appeared to be on the lower side. I find that no mis-declaration was noticed in the examination in terms of description or quantity. However, the valuation of the goods appeared on the lower side.

9.2 I find that since the value of goods declared appeared to be lower, the declared value cannot be accepted as the true transaction value. The value declared by the importer does not appear to be the true transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

9.3 I find that as per Rule 12 of CVR, 2007, when the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, and after receiving further information or in the absence of a response, 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. In the present case, the significant discrepancies regarding valuation give sufficient reason to doubt the declared value.

9.4 I find that as per Rule 3(4) of CVR, 2007, if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rules 4 to 9. The subject consignment comprises goods of China origin and in the absence of credible data of import of similar/identical goods due to unique quality of goods and other constraints, the value of these goods cannot be determined under Rules 4 to 8 of CVR, 2007.

9.5 I find that accordingly, the value is to be determined under Rule 9 (Residual method) of CVR, 2007. The empanelled Chartered Engineer was engaged for valuation purposes and vide CE Opinion Certificate Ref:- AYK:VAL:02728:2025 dated 10.12.2025, has provided the valuation of the goods. The Chartered Engineer, based on random physical and visual examination of the goods and their present condition and quality, has determined that the suggestive CIF value of the goods is **Rs. 11,99,636/-**. The importer vide their letter dated 06.01.2026 has accepted the Chartered Engineer's valuation report.

9.6 I find that the declared assessable value was **Rs. 8,85,829/-**, whereas the re-determined assessable value as per the Chartered Engineer's report is **Rs. 11,99,636/-**, showing an undervaluation of **Rs. 3,13,807/-**. This significant undervaluation clearly establishes that the declared value is not acceptable.

9.7 In view of the above, I hold that the declared total assessable value of the goods, i.e., **Rs. 8,85,829/-** is liable to be rejected under Rule 12 of CVR, 2007 and the same needs to be re-determined as **Rs. 11,99,636/-** in terms of Rule 9 of CVR, 2007 based on the Chartered Engineer's valuation report dated 10.12.2025.

10.1 Regarding the second issue, I find that Section 17(4) of the Customs Act, 1962

provides that "*where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.*" In the present case, I find that the self-assessment is incorrect and incomplete as it is based on undervalued goods. The declared value has been rejected and re-determined as **Rs. 11,99,636/-** as discussed above. The duty liability needs to be re-calculated based on the re-determined assessable value.

10.2 I find that as per the re-determined assessable value of **Rs. 11,99,636/-**, the duty liability is as follows:

Particulars	Amount (Rs.)
Re-determined Assessable Value	11,99,636
BCD (rates as applicable)	1,89,279
SWS @ 10% of BCD	18,928
IGST (rates as applicable)	2,47,254
Total Duty	4,55,460
Duty already paid	3,27,736
Differential Duty payable	1,27,724

10.3 Therefore, I hold that the self-assessment done by the importer is liable to be rejected and Bill of Entry No. 5705369 dated 14.11.2025 needs to be re-assessed under Section 17(4) of the Customs Act, 1962 with differential duty of **Rs. 1,27,724/-** (Rupees One Lakh Twenty Seven Thousand Seven Hundred Twenty Four Only).

11.1 Regarding the third issue, I find that Section 111(m) of the Customs Act, 1962 provides for confiscation of "*any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under Section 77 in respect thereof, or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54.*"

11.2 I find that in the present case, the goods do not correspond with the entry made in the Bill of Entry in respect of value. I find that the importer has violated Section 46(4) of the Customs Act, 1962 by not making a true declaration in respect of value as to the contents of the Bill of Entry. Further, the importer has violated Section 46(4A) of the Customs Act, 1962 by not ensuring the accuracy and completeness of the information given in the Bill of Entry.

11.3 I find that the importer's acts of omission and commission have rendered the goods liable to confiscation. The significant undervaluation establishes that the goods do not correspond with the entry made under the Act. Therefore, I hold that the goods imported vide Bill of Entry No. 5705369 (Z-type) dated 14.11.2025 having re-determined value of **Rs. 11,99,636/-** are liable for confiscation under **Section 111(m)** of the Customs Act, 1962.

11.4 Further, I note that as per Section 125(1) of the Customs Act, 1962, in case of confiscation of goods other than prohibited goods, an option to pay fine in lieu of confiscation shall be given to the owner. In the present case, since the imported goods are not prohibited goods, I find it appropriate to give the importer an option to redeem the confiscated goods on payment of appropriate redemption fine under **Section 125** of the Customs Act, 1962.

12. Regarding the fourth issue, I find that Section 112(a)(ii) of the Customs Act, 1962 provides for penalty in the case of dutiable goods, other than prohibited goods, on any person 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. In the present case, I find that the importer has imported undervalued goods with differential duty liability of **Rs. 1,27,724/-**. The importer's deliberate act of significant undervaluation has rendered the goods liable to confiscation under **Section 111(m)** of the Customs Act, 1962. These acts of omission and commission attract penalty under Section 112(a)(ii) of the Customs Act, 1962. Therefore, I find that the importer is liable for penalty under **Section 112(a)(ii)** of the Customs Act, 1962.

ORDER

13. In view of the foregoing discussion and findings, I pass the following order:

(i) I order to reject the declared assessable value of **Rs. 8,85,829/-** in respect of goods covered under Z-Type Bill of Entry No. 5705369 dated 14.11.2025 under Rule 12 of the Customs Valuation Rules, 2007 and order re-determination of assessable value at **Rs. 11,99,636/-** (Rupees Eleven Lakh Ninety Nine Thousand Six Hundred Thirty Six Only) in terms of Rule 9 of CVR, 2007;

(ii) I reject the self-assessment done by the importer and order to re-assess Bill of Entry No. 5705369 dated 14.11.2025 under **Section 17(4)** of the Customs Act, 1962. The differential duty on the imported goods comes out to **Rs. 1,27,724/-** (Rupees One Lakh Twenty Seven Thousand Seven Hundred Twenty Four Only);

(iii) I order to confiscate the goods imported vide Bill of Entry No. 5705369 (Z-type) dated 14.11.2025 having re-determined value of **Rs. 11,99,636/-** (Rupees Eleven Lakh Ninety Nine Thousand Six Hundred Thirty Six Only), under **Section 111(m)** of the Customs Act, 1962. However, I give option to the importer to **redeem** the said goods for home consumption under **Section 125** of the Customs Act, 1962 on payment of Redemption Fine of **Rs.1,10,000/-** (Rupees One Lakh Ten Thousand Only);

(iv) I impose penalty of **Rs. 12,000/-** (Rupees **Twelve Thousand** Only) on the importer **M/s. Cherry Traders** under **Section 112(a)(ii)** of Customs Act, 1962.

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

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

To,

M/s. Cherry Traders (IEC No. EMFPM8502Q)
Shop No. 61/42, Site Mor Land,
Kalkaji Extn, New Delhi – 110 019

Copy to:

1. The Deputy Commissioner, SIIB, Customs House, Mundra
2. The Deputy Commissioner, Review, Customs House, Mundra
3. The Deputy Commissioner, TRC, Custom House, Mundra
4. The Deputy Commissioner, EDI, Customs House, Mundra
5. The Deputy Commissioner, APSEZ, Mundra
6. Guard File