OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS,
CUSTOMS HOUSE, MP & SEZ MUNDRA,
KUTCH, GUJARAT-370421
PHONE: 02838-271463 FAX :02838-271169/271475

A	**File No.**	**CUS/APR/INV/271/2026-Gr 6-O/o Pr Commr-Cus-Mundra**
B	**OIO No.**	**MCH/ADC/ZDC/24/2026-27**
C	**Date of Order**	**.04.2026**
D	**Passed by**	**Shri Deepak Zala** **Additional Commissioner, Import Assessment,** **Custom House, Mundra**
E	**IR No. & Date**	**Report No. 08/2026-27 dated 04.04.2026**
F	**Noticee/Party/ Importer**	**M/s Ace Electro Trade (IEC: DDNPA0326N)** **Lower Ground Floor, Bearing No. 3 Gali No. 17,** **Reghar Pura, Near Hard, Delhi-110005**
G	**DIN**	**20260471MO000000E1E1**

1. The Order – in – Original is granted to concern free of charge.

2. 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

The Commissioner of Customs (Appeal), MUNDRA,
Office at 7th floor, Mridul Tower, Behind Times of India,
Ashram Road, Ahmedabad-380009

3. Appeal shall be filed within Sixty days from the date of Communication of this Order.

4. Appeal should be accompanied by a Fee of Rs. 5/- (Rupees Five Only) under Court Fees Act it must accompanied by (i) copy of the Appeal, (ii) this copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/- (Rupees Five Only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

5. Proof of payment of duty / interest / fine / penalty / deposit should be attached with the appeal memo.

6. While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respect.

7. 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 or Penalty are in dispute, where penalty alone is in dispute.

Brief Facts of the Case

M/s Ace Electro Trade (IEC-DDNPA0326N), having its registered office at Lower Ground Floor, Bearing No. 3 Gali No. 17, Reghar Pura, Near Hard, Delhi-110005 (hereinafter referred to as "the Importer" for sake of brevity) has imported a consignment as tabulated above (hereinafter referred to as "the impugned Goods") at Mundra Port vide Z-Bill of Entry No. 5647308 dated 12.11.2025. The examination of the above said consignment was carried out by the officers of SIIB on 07.01.2026 in the presence of the importer's authorized representative Shri Pranjal Singh under Panchnama dated 19.12.2025 drawn at the premises of M/s Shoolin Trade Link LLP, APSEZ, Mundra (Kachchh). The details of the goods as declared in the said Bill of Entry are as follows:

Table-I

Sr. No.	BE no. /date	Container No./ seal no.	BL no. /date	CTH	DESCRIPTION
1	5647308 dated 12.11.2025	EGHU9299770	EGLV1575003 02368 dated 24.10.2025	85182110	Big Speaker With Aux/Usb (Bis No R-41169188)
2				85183019	Bluetooth Wireless Earphone (Bis No-R-41187810)
3				82089090	Cutting Blade For Mobile Repair Use
4				82089090	Cutting Knife Set (For Mobile Repair Use)
5				85177990	Dc Power Supply (For Mobile Repair use)
6				85181000	External Wired Mic For Mobile
7				82059090	Glue Remover (For Mobile Repair Use)
8				39269099	Lamination Sheet For Mobile
9				85183019	Mini Headphone For Mobile (Bis No-R-41187810)
10				90118000	Mini Magnifying Device For Microscope For Mobile Repair Use
11				85444999	Mini Mobile Connector Cable

12				85182110	Mini Speaker With Aux/Usb (Bis No R-41169188)
13				39269099	Nano Cleaning Sponge (For Mobile Repair Use)
14				39269099	Packing Material For Mobile Accessories More Than 100 Micron
15				39269099	Plastic Housing For Smart Watch (Raw Material)
16				85177990	Scraper (For Mobile Repair Use)
17				70072190	Screen Protector (48135 Pcs)
18				85182110	Small Speaker With Aux/Usb (Bis No R-41169188)
19				85176290	Smart Watch (Unbranded Bis No-R-41216763)
20				85151900	Soldering For Mobile Repair Use
21				82059090	Clamp For Toolkit For Mobile Repair Use
22				85444999	Soldering Wire (For Mobile Repair Use)
23				39261019	Stationery (Promotional Gift Item)
24				82059090	Tool Kit (For Mobile Repair Use)
25				85177990	Magnetic Pad (For Mobile Repair Use)
26				82059090	Mini Testing Tool For Mobile Repair Use
27				61099010	T-Shirt (Promotional Gift Item)
28				85044030	Usb Dock (Bis No-R-41187623)
29				85183020	Wired Earphone

2. **Weighment and Examination of the goods:**

The officer of SIIB section, CH Mundra, conducted the examination of the impugned goods stuffed into the container no. EGHU9299770 covered under the Z-Bill of Entry No. 5647308 dated 12.11.2025 under Panchnama dated 19.12.2025. Before examination the weighment of the cargo was cross checked with weighment slip provided by the SEZ unit. Net Weight of the Cargo on Weighment Slip is 26610 Kg which includes weight of the Container i.e. 3750 Kgs. Therefore, after deducting 3750 Kgs, Net Weight of

Cargo comes out to be 22860 Kgs. The details of the weighment of the goods ARE as follows:

Table-II

Sr. N.	Bill of Entry no. and Date	Container No.	BE weight (Kg)	Cargo Weight as per SEZ Unit weighment slip (Kg)
1	5647308 dated 12.11.2025 (Z type)	EGHU9299770	15850	22860

2.1. During the course of examination of the impugned goods, after complete de-stuffing, 1142 packages were found. The complete details of the goods found during examination are as below:

Table-III

SNO.	**DESCRIPTION**	**Boxes**	**Pieces Per Box**	**QUANTITY**	**UQC**	**Remarks**
1	Big Speaker With Aux/Usb (Bis No R-41169188)	1	5	5	PCS	
2	Bluetooth Wireless Earphone (Bis No-R-41187810)	100	200	20000	PCS	
3	Cutting Blade For Mobile Repair Use	1	450	450	PCS	
4	Cutting Knife Set (For Mobile Repair Use)	1	200	200	PCS	
5	Dc Power Supply (For Mobile Repair Use)	41	5	205	PCS	
6	External Wired Mic For Mobile	23	980	22540	PCS	
		1	700	700		
7	Glue Remover (For Mobile Repair Use)	7	125	875	PCS	
8	Lamination Sheet For Mobile	30	700	21000	PCS	
9	Mini Headphone For Mobile (Bis No-R-41187810)	1	60	60	PCS	
10	Mini Magnifying Device For Microscope For Mobile Repair Use	1	10	10	PCS	
11	Mini Mobile Connector Cable	5	1000	5000	PCS	

12	Mini Speaker With Aux/Usb (Bis No R-41169188)	6	80	480	PCS	
13	Nano Cleaning Sponge (For Mobile Repair Use)	1	200	200	PCS	
14	Screen Protector	534	1000	534000	PCS	Declared in BE is Packing Material For Mobile Accessories More Than 100 Micron, Total Weight is 11304 KGS
		43	500	21500	PCS	Declared in BE is Packing Material For Mobile Accessories More Than 100 Micron, Total Weight is 529 KGS
15	Plastic Housing For Smart Watch (Raw Material)	1	3000	3000	PCS	
16	Scraper (For Mobile Repair Use)	1	1000	1000	PCS	
17	Screen Protector	200	1000	200000	PCS	Total weight of 200 carton is 4336 KGS
18	Small Speaker With Aux/Usb (Bis No R-41169188)	27	50	1350	PCS	
		1	130	130	PCS	
19	Smart Watch (Unbranded Bis No-R-41216763)	80	100	8000	PCS	
20	Soldering For Mobile Repair Use	1	100	100	PCS	
21	Clamp For Toolkit For Mobile Repair Use		70	0	PCS	
22	Soldering Wire (For Mobile Repair Use)	2	1250	2500	PCS	
23	Stationery (Promotional Gift Item)	1	42	42	PCS	
24	Tool Kit (For Mobile Repair Use)	1	110	110	PCS	
25	Magnetic Pad (For Mobile Repair Use)		250	0	PCS	
26	Mini Testing Tool For Mobile Repair Use		100	0	PCS	
27	T-Shirt (Promotional Gift Item)	1	10	10	PCS	
28	Usb Dock (Bis No-R-41187623)	4	500	2000	PCS	

29	Wired Earphone	25	2300	57500		
		1	2500	2500	PCS	

Further, on examination of the goods, the officer prima facie noticed that the goods were mis-declared by the importer in respect of Description and quantity. The goods mentioned at Sr. no. 14 of table No. III have been declared as PACKING MATERIAL FOR MOBILE ACCESSORIES MORE THAN 100 MICRON but the goods were found to be Screen protectors. Further, the goods mentioned at Sr. No. 17 of table 03 under description as Screen protectors have been declared to be 1606 Kgs but the total weight of goods was found to be of 4336 Kgs.

The details of the goods with declared/re-determined CTH is as follows.

Table-IV

Sr. No. as mentioned in table no. III	Goods found during examination	Declared CTH	Re-determined CTH	Quantity (in Pcs)	Weight (in Kgs)
14	Screen Protector	-	70072900	555500	11833
17	Screen Protector	70072190	70072190	200000	4336

Valuation of the Goods:

4. Further, as goods found during examination in the subject Bill of Entry were mis-declared in terms of Description and classification and undeclared goods were also found. Therefore, value of the goods need to be determined.

4.1. **Rejection of declared value & Redetermination of Assessable Value:** The Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "*the CVR, 2007*") provides the method of valuation. The Rule 3(1) of the CVR, 2007 provides that "Subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10. The Rule 3(4) ibid states that "if the value cannot be determined under the provisions of sub-rule (1),

the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007". Whereas, it appears that, transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Whereas, it further appears that, there is a reasonable doubt regarding the truth and accuracy of the value declared by the importer, and hence it appears liable to be rejected in terms of Rule 12 of the CVR, 2007.

4.2. Whereas, it appears that, if actual transaction value which means price paid or payable cannot be ascertained on the basis of Rule 3 of the CVR, 2007, the value shall be decided proceeding to subsequent rules. Thus, recourse is to be taken to the Rule 9 of the CVR, 2007 which provides for determination of value where the value of the imported goods cannot be determined under the provisions of the 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.

4.3. Whereas, it appears that, the value of the impugned goods could not be determined under Rule 4 and 5 ibid since the goods have been un-declared/mis-declared by means of description, the value of contemporaneous imports of identical and similar goods of same quality and composition was not found. Proceeding sequentially, it is stipulated under Rule 6 ibid that where the value is not determinable under Rule 3, 4 and 5, the value is to be determined under Rule 7 or when the value cannot be determined under that Rule, under Rule 8. Whereas, Rule 7 provides for 'Deductive Value' i.e. the value is to be determined on the basis of valuation of identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions stipulated under the rule. Whereas, for the reasons detailed above, the values also cannot be determined as per the said Rule 7 ibid. Likewise, for application of Rule 8 of

the CVR, 2007, the cost of production or processing involved in the imported goods are not available. In the absence of requisite data, the value cannot be determined by taking recourse to these rules either.

4.4. Whereas, it appears that, the provisions of Rule 4 to 8 ibid, are not applicable in the instant case, the value of the impugned goods is required to be determined under the provisions of Rule 9 of the CVR 2007, which reads as under: -

> *"Rule 9: Residual method – (1) Subject to the provisions of Rule 3, where the value of the 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:"*

4.5. Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. ABJ:INSP:CE:SIIB:MA:ACE:25-26:64 dated 08.03.2026 wherein, he has reported the value of the cargo as tabulated below:

Table-V

Sr. No.	Description (as per Panchnama)	No. of pieces on examination	Per unit avg suggestive CIF value of goods in bulk quantity in USD	Total Average suggestive CIF value of goods in bulk quantity in USD	Assessable Value (in INR) as per CE valuation	Duty payable as per assessable value ascertained by CE			
						BCD	SWS	IGST	TOTAL
1	Big Speaker With Aux/Usb (Bis No R-41169188)	5	3	15	1342.5	269	27	295	590
2	Bluetooth Wireless	20000	0.4	8000	716000	143200	14320	157234	314754

	Earphone (Bis No-R-41187810)								
3	Cutting Blade For Mobile Repair Use	450	0.04	18	1611	161	16	322	499
4	Cutting Knife Set (For Mobile Repair Use)	200	0.05	10	895	90	9	179	277
5	Dc Power Supply (For Mobile Repair Use)	205	0.8	164	14678	2202	220	3078	5500
6	External Wired Mic For Mobile	22540	0.03	676.2	60519.9	9078	908	12691	22677
		700	0.03	21	1879.5	282	28	394	704
7	Glue Remover (For Mobile Repair Use)	875	0.05	43.75	3915.625	392	39	782	1213
8	Lamination Sheet For Mobile	21000	0.04	840	75180	11277	1128	15765	28170
9	Mini Headphone For Mobile (Bis No-R-41187810)	60	0.4	24	2148	430	43	472	944
10	Mini Magnifying Device For Microscope For Mobile Repair Use	10	1.5	15	1342.5	101	10	262	372
11	Mini Mobile Connector Cable	5000	0.03	150	13425	2014	201	2815	5030
12	Mini Speaker With Aux/Usb (Bis No R-41169188)	480	0.4	192	17184	3437	344	3774	7554
13	Nano Cleaning Sponge (For Mobile Repair Use)	200	0.04	8	716	107	11	150	268
14	Screen Protector	534000	0.09	48060	4301370	430137	43014	859414	1332564
		21500	0.09	1935	173182.5	17318	1732	34602	53652
15	Plastic Housing For Smart Watch (Raw Material)	3000	0.02	60	5370	806	81	1126	2012
16	Scraper (For	1000	0.4	400	35800	5370	537	7507	13414

	Mobile Repair Use)								
17	Screen Protector	200000	0.09	18000	1611000	161100	16110	321878	499088
18	Small Speaker With Aux/Usb (Bis No R-41169188)	1350	0.2	270	24165	4833	483	5307	10623
		130	0.25	32.5	2908.75	582	58	639	1279
19	Smart Watch (Unbranded Bis No-R-41216763)	8000	0.4	3200	286400	57280	5728	62893	125901
20	Soldering For Mobile Repair Use	100	0.1	10	895	90	9	179	277
21	Clamp For Toolkit For Mobile Repair Use	70	0.8	56	5012	501	50	1001	1553
22	Soldering Wire (For Mobile Repair Use)	2500	0.06	150	13425	2014	201	2815	5030
23	Stationery (Promotional Gift Item)	42	0.3	12.6	1127.7	169	17	236	423
24	Tool Kit (For Mobile Repair Use)	110	0.5	55	4922.5	492	49	984	1525
25	Magnetic Pad (For Mobile Repair Use)	250	0.4	100	8950	1343	134	1877	3354
26	Mini Testing Tool For Mobile Repair Use	100	0.4	40	3580	358	36	715	1109
27	T-Shirt (Promotional Gift Item)	10	3	30	2685	537	0	161	698
28	Usb Dock (Bis No-R-41187623)	2000	0.1	200	17900	3580	358	3931	7869
29	Wired Earphone	57500	0.02	1150	102925	20585	2059	22602	45246
		2500	0.04	100	8950	1790	179	1965	3934
	Total			**84038.05**	**7521405**	**881921**	**88138**	**1528045**	**2498105**

4.6. Whereas, it appears that, the assessable value of Rs. 8,01,070.12/- declared by the importer in the Z-Bill of Entry No. 5647308 dated 12.11.2025 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered

under said Bill of Entry is required to be taken as Rs. 75,21,405/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

5. **Importability and Policy Compliance:**

All the goods found during the examination are freely importable after paying of applicable Customs Duty except the goods mentioned at Sr. No. 1, 2,9,12,18,19 and 28 of Table-III. The goods mentioned at Sr. No. 1, 2,9,12,18,19 and 28 of Table-III falls under mandatory requirements of BIS.

5.1. The importer has produced BIS certificate No. R-41169188 for the goods mentioned at Sr. No. 1, 12 and 18 of Table III valid till 05.11.2026, BIS certificate no. R-41187810 for the goods mentioned at Sr. No 2 and 9 of table III valid upto 18.04.2027 and BIS certificate no. R- 41216763 for the goods mentioned at Sr. No 19 and 28 of table III valid upto 03.02.2028, the same were also verified from BIS Care App.

6. **Re-determination of Applicable Duty:**

On the basis of re-determined value of the goods in above Table-V, duty leviable on goods imported vide B/E No. 5647308 dated 12.11.2025 is being re-calculated for the goods which will be released for Home Consumption.

The total re-determined value of the goods releasable for Home Consumption comes to Rs. 75,21,405/- and the total re-determined Duty for the said releasable goods comes to Rs. 24,98,105/- instead of the declared duty for the same i.e. Rs. 2,90,350/-. The differential duty of said releasable goods comes to Rs. 22,07,754/- (BCD Rs. 7,68,948/-, SWS-Rs. 76,895/-, IGST Rs. 13,61,912/-).

7. **Outcome of the Investigation:**

The investigation conducted by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra, based on the special

intelligence, revealed significant irregularities in the import consignment of M/s. Ace Electro Trade (IEC-DDNPA0326N), having its registered office at Lower Ground Floor, Bearing No. 3 Gali No. 17, Reghar Pura, Near Hard, Delhi-110005, under Z-Bill of Entry No. 5647308 dated 12.11.2025, covering container EGHU9299770. The examination was conducted on 19.12.2025, which uncovered deliberate mis-declaration, undervaluation, and non-compliance with regulatory requirements, indicating an intent to evade Customs duties and violate import regulations. The outcomes of the investigation are as follows:

7.1**. <u>Examination of the Goods:</u>**

The officer of SIIB section, CH Mundra, conducted the examination of the impugned goods stuffed into the container no. EGHU9299770 covered under the Z-Bill of Entry No. 5647308 dated 12.11.2025 under Panchnama dated 19.12.2025. During the course of examination of the impugned goods, after complete de-stuffing, 1142 packages were found. Further, on examination of the goods, it was noticed that the goods mentioned at Sr. No. 14 of the above-mentioned Bill of entry have been mis-declared as PACKING MATERIAL FOR MOBILE ACCESSORIES MORE THAN 100 MICRON instead the goods were found to be Screen protectors under CTH 70072190. Further, the goods mentioned at Sr. No. 17 of Bill of Entry under description as Screen protectors have been declared to be 1606 Kgs but the total weight of goods was found to be of 4336 Kgs.

7.2**. <u>Valuation of the Goods:</u>**

Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. ABJ:INSP:CE:SIIB:MA:ACE:GLIPL:25-26:64 dated 08.03.2026. It appears that, the assessable value of Rs. 8,01,070.12/-

declared by the importer in the Z-Bill of Entry No. 5647308 dated 12.11.2025 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 75,21,405/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

7.4**. Re-determination of Duty:**

The total re-determined value of the goods releasable for Home Consumption comes to Rs. 75,21,405/- and the total re-determined Duty for the said releasable goods comes to Rs. 24,98,105/- instead of the declared duty for the same i.e. Rs. 2,90,350/-. The differential duty of said releasable goods comes to Rs. 22,07,754/- (BCD Rs. 7,68,948/-, SWS-Rs. 76,895/-, IGST Rs. 13,61,912/-).

7.5. **Importability and Policy Compliance:**

All the goods found during the examination are freely importable after paying of applicable Customs Duty.

7.6. **Confiscation of Goods and Penal Action:**

In view of the above, it is evident that the importer, M/s. Ace Electro Trade (IEC-DDNPA0326N, has imported the goods covered under Bill of Entry No. 5647308 dated 12.11.2025 by way of mis-declaration in quantity, description and classification. Therefore, the goods found during the examination are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962. The importer's actions indicate an intent to evade customs duty, violating Section 46(4) of the Customs Act, 1962 (false declaration in Bill of Entry). Consequently, the importer is liable for penalties under Sections 112(a)(ii) and 114AA of the Customs Act, 1962, for knowingly submitting false documents and attempting to evade duties.

8. 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.*

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.

(B) 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 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:

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

(4A) *the importer who presents a Bill of Entry shall ensure the following, namely:*

(a) The accuracy and completeness of the information given therein;

(b) The authenticity and validity of any document supporting it; and

(c) Compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

Section 111. Confiscation of improperly imported goods, etc. – *The following goods brought from a place outside India shall be liable to confiscation:-*

(l) *any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;*

(m) *any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof, or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54;*

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:*

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.

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

"*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;*

……..

(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 ……..

(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 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.

***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.*

9. <u>In view of the above facts and discussion, it appears that</u> –

i. The declared description, quantity and classification of the goods imported vide Z-Bill of Entry No. 5647308 dated 12.11.2025, filed by the Importer M/s Ace Electro Trade, are liable to be rejected due to mis-declaration and mis-classification, as detailed above and the same needs to be re-determined as per Tables III and IV.

ii. The total declared assessable value of Rs. 8,01,070.12/- for the goods under Z-Bill of Entry No. 5647308 dated 12.11.2025 is liable to be rejected and re-determined as Rs. 75,21,405/-, as per the Chartered Engineer's valuation report dated 08.03.2026, under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, read with Section 14 of the Customs Act, 1962.

iii. The Bill of Entry no. 5647308 dated 12.11.2025 need to be re-assessed under Section 17(4) of The Customs Act, 1962 with re-determined duty, classification and description as discussed in above paras.

iv. The goods imported vide Bill of Entry no. 5647308 dated 12.11.2025 having re-determined value of Rs. 75,21,405/- are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

v. The importer, M/s. Ace Electro Trade, is liable for penalties under Sections 112(a)(ii), and 114AA of the Customs Act, 1962.

Submissions and Personal hearing

10. The importer vide letter dated 09.04.2026 requested for waiver of SCN and PH in the instant case and accepted the CE valuation.

Discussion and Findings

11. I find that the importer, M/s Ace Electro Trade (IEC-DDNPA0326N), has requested for waiver of Show Cause Notice (SCN) and Personal Hearing (PH) in the instant case and has explicitly accepted the Chartered Engineer's valuation report dated 08.03.2026. In view of the importer's explicit waiver of SCN and Personal Hearing along with their acceptance of the findings of the Chartered Engineer, the principles of natural justice under Section 122A of the Customs Act, 1962, have been duly complied with. Considering the importer's waiver and the availability of all material evidence on record, including the Z-Bill of Entry No. 5647308 dated 12.11.2025, Panchnama dated 19.12.2025, examination report, Chartered Engineer's valuation report dated 08.03.2026, and the Investigation Report No. 08/2026-27, the case is ripe for adjudication on merits without issuance of SCN or conduct of Personal Hearing, as per the provisions of Section 122A read with Section 124 of the Customs Act, 1962.

11.1 As the principles of natural justice stand complied with in view of the importer's explicit waiver of Show Cause Notice and Personal Hearing and their acceptance of the Chartered Engineer's valuation, I now proceed to adjudicate the matter on merits. After going through the facts of the case as brought out in the Investigation Report No. 08/2026-27, the following key issues are identified for determination:

i. Whether the declared description, quantity and classification of the goods imported vide Z-Bill of Entry No. 5647308 dated 12.11.2025 are liable to be rejected due to mis-declaration and mis-classification and the same are required to be re-determined as per Tables III and IV above;

ii. Whether the declared assessable value of Rs. 8,01,070.12/- is liable to be rejected in terms of Rule 12 of the Customs Valuation Rules, 2007 and re-determined at Rs. 75,21,405/- under Rule 9 (Residual Method) of the said Rules on the basis of the Chartered Engineer's valuation report dated 08.03.2026 under Rule 9 of the Customs Valuation (Determination of Value

of Imported Goods) Rules, 2007, read with Section 14 of the Customs Act, 1962.;

iii. Whether the Bill of Entry No. 5647308 dated 12.11.2025 is required to be re-assessed under Section 17(4) of the Customs Act, 1962 with the re-determined classification, description and value;

iv. Whether the imported goods having re-determined value of Rs. 75,21,405/- are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962;

v. Whether the importer, M/s Ace Electro Trade, is liable for penalties under Sections 112(a)(ii) and 114AA of the Customs Act, 1962.

12. The examination of the impugned consignment imported by M/s Ace Electro Trade (IEC-DDNPA0326N) under Z-Bill of Entry No. 5647308 dated 12.11.2025 was conducted by the officers of SIIB, Customs House, Mundra, on 07.01.2026 in the presence of the importer's authorised representative Shri Pranjal Singh under Panchnama dated 19.12.2025 at the premises of M/s Shoolin Trade Link LLP, APSEZ, Mundra. The container No. EGHU9299770 was completely de-stuffed and a total of 1,142 packages were recovered. The weighment of the cargo was cross-verified with the weighment slip provided by the SEZ unit. The net weight of the cargo was established at 22,860 kg as against the weight of 15,850 kg declared in the Bill of Entry.

12.1 It is established that the goods actually found during examination were as detailed in Table-III of the Investigation Report No. 08/2026-27. The nature of the goods is mobile repair accessories, audio products (speakers, earphones, microphones), smart-watch components, screen protectors, tool kits, soldering items, and promotional gift items. All the goods are freely importable after payment of applicable customs duty. For the items requiring compulsory BIS certification (Big Speaker, Mini Speaker,

Bluetooth Wireless Earphone, Mini Headphone, Smart Watch and USB Dock), the importer produced valid BIS certificates (Nos. R-41169188, R-41187810 and R-41216763) which were duly verified on the BIS Care App and found to be in order.

12.2 It is established that the goods were mis-declared in respect of description, quantity, weight and classification. Specifically, the items declared at Sr. No. 14 of the Bill of Entry as "Packing Material For Mobile Accessories More Than 100 Micron" (declared weight 11,304 kg) were physically found to be **Screen Protectors**. Further, the goods declared at Sr. No. 17 as Screen Protectors (declared weight 1,606 kg) were found in substantially higher quantity and weight. The complete comparison of declared vis-à-vis actual goods in respect of the major mis-declared items is tabulated below for ready reference:

Table - 1: Comparison of Declared vs. Actual Goods (Screen Protectors)

Sr. No. in Table-III / BE	Declared Description	Declared CTH	Declared Weight (kg)	Actual Goods Found	Actual CTH (as per examination)	Actual Quantity (pcs)	Actual Weight (kg)
14	Packing Material For Mobile Accessories More Than 100 Micron	Not declared	11,304	Screen Protectors	70072900	555,500	11,833
17	Screen Protector (48135 Pcs)	70072190	1,606	Screen Protectors	70072190	200,000	4,336
Total	-	-	**12,910**	**Screen Protectors**	-	**755,500**	**16,169**

12.3 It is further established that the remaining 27 items listed in Table-III of the Investigation Report (Big Speaker, Bluetooth Wireless Earphone, Cutting Blade, DC Power Supply, External Wired Mic, Glue Remover, Lamination Sheet, Mini Headphone, Mini Mobile Connector Cable, Nano Cleaning Sponge, Plastic Housing for Smart Watch, Scraper, Small Speaker, Smart Watch, Soldering items, Tool Kit, Magnetic Pad, T-Shirt, USB Dock,

Wired Earphone, etc.) were found exactly in the quantities and descriptions mentioned therein. No goods were found to be prohibited or restricted under the Foreign Trade Policy. There is clear and irrefutable evidence of deliberate mis-declaration inasmuch as high-value screen protectors were deliberately described as low-value packing material and both quantity as well as weight were significantly under-reported. The importer has not disputed any of the physical findings recorded in the Panchnama dated 19.12.2025 or the details given in the Investigation Report.

12.4 I find that the goods imported under the present shipment found mis-declared in respect of description, classification, valuation and other particulars during the examination of the goods. I find that the goods were found mis-declared in terms of classification, description, valuation, import policy etc. and items found during the examination were found to be not declared in the import documents. The importer during the investigation has not disputed the findings of the investigation. Goods declared in the Bill of Entry and actual goods found during the examination of the goods are already mentioned in foregoing paras and there is no need to repeat them here for the sake of brevity. The above findings clearly establish that the importer failed to make a true and correct declaration of the imported goods as mandated under Section 46 of the Customs Act, 1962.

13. The goods imported under Z-Bill of Entry No. 5647308 dated 12.11.2025 were declared under various Customs Tariff Headings (CTHs) as per the description given in the Bill of Entry. Upon examination, the classification of the majority of the items was found to be in order. However, the items declared at Sr. No. 14 of Table-III of the Investigation Report as “Packing Material For Mobile Accessories More Than 100 Micron” were physically found to be **Screen Protectors**. These goods were accordingly re-classified under CTH **70072900**.

13.1 Further, the goods declared at Sr. No. 17 as “Screen Protector” under CTH **70072190** were confirmed to be the same item and retained under the declared CTH **70072190** after correction of quantity and weight.

13.2 I find that the declaration of Screen Protectors under Chapter 39 as packing material was incorrect. Screen Protectors are nothing but tempered/safety glass sheets used for mobile phones and are correctly classifiable under Chapter 70 of the First Schedule to the Customs Tariff Act, 1975, specifically under CTH 7007 as safety glass (toughened or laminated). The goods are not plastic sheets or packing material of Chapter 39. The re-determined classification under CTH **70072900** and **70072190** is therefore correct and in accordance with the actual nature and composition of the goods found during examination.

14. From the above, it is evident that the importer had mis-declared the goods in terms of description, quantity, classification etc. and goods were not found as per the declaration filed in the Z-Bill of Entry No. 5647308 dated 12.11.2025. I find that the goods i.e. Screen Protectors were deliberately mis-declared as "Packing Material For Mobile Accessories More Than 100 Micron" and the quantity/weight of other items was also under-reported. Hence, value declared by the Importer cannot be accepted as true transaction value. Further, the Importer during the investigation has accepted the findings of the Investigation Report and the Chartered Engineer's valuation report dated 08.03.2026 and has requested for waiver of Show Cause Notice and Personal Hearing. Thus, the declared value appeared to be not acceptable as transaction value and merits rejection in terms of Section 14 of the Customs Act, 1962 read with Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The value is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of the Customs Valuation Rules, 2007.

14.1 I find that Rule 4(1)(a) of the said Rules stipulates determination of value of goods on the basis of value of identical goods. Rule 5 provides for transaction value of similar goods. I 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 contemporaneous import data was general in nature and data

for identical/similar goods was not available, therefore the value cannot be determined under Rules 4 and 5 of the CVR, 2007. As per Rule 6 ibid, if the value cannot be determined under Rules 3, 4 and 5, the same shall be determined under the provisions of Rule 7 or, when the same cannot be determined under that rule, then under Rule 8. I also noticed that no exact sales values and data required for quantification of the deductions was available, hence Rule 7 cannot be invoked. Further, computed value as provided under Rule 8 cannot be calculated in the absence of quantifiable data relating to cost of production, manufacture or processing of the imported goods. In such scenario, I find it appropriate to invoke the provisions of Rule 9 i.e. residual method for determining the value of the impugned imported goods. Rule 9 provides for determination of value using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India.

14.2 I find that in the absence of credible data of import of similar goods and other constraints, the value of these goods cannot be determined in terms of Rules 4, 5, 6, 7 and 8 of the Customs Valuation Rules, 2007. Hence, the value is to be determined in terms of Rule 9 of the said rules. For the purpose of valuation, the Chartered Engineer, Shri Er. Ajayrajsinh B. Jhala, vide his report Ref. No. ABJ:INSP:CE:SIIB:MA:ACE:25-26:64 dated 08.03.2026, has suggested the valuation of the goods as detailed in Table-V of the Investigation Report. The contents of the table are not being repeated here for the sake of brevity.

14.3 In view of the above, I find that the market price as provided by the Chartered Engineer has to be considered as the basis for arriving at the assessable value of these goods. I hold that the declared value in respect of the aforementioned goods is liable to be rejected under Rule 12 of the CVR, 2007 and the same is liable to be re-determined under Section 14 of the Customs Act, 1962 read with Rule 9 of the CVR, 2007. Thus, I find it appropriate to consider the value suggested by the Chartered Engineer/valuer for the present shipment and re-determine the same at **Rs. 75,21,405/-**.

Table - 2: Re-determined Assessable Value and Calculation of Differential Duty

Particulars	Declared Amount (₹)	Re-determined Amount (₹)	Differential Amount (₹)
Assessable Value	8,01,070.12	75,21,405	67,20,334.88
Basic Customs Duty (BCD)	-	-	7,68,948
Social Welfare Surcharge (SWS)	-	-	76,895
Integrated Goods & Services Tax (IGST)	-	-	13,61,912
Total Duty	**2,90,350**	**24,98,105**	**22,07,754**

The importer had paid a total duty of **Rs. 2,90,350/-** at the time of filing the Bill of Entry whereas the re-determined total duty liability works out to **Rs. 24,98,105/-**. Hence, the differential duty payable comes to **Rs. 22,07,754/-**.

14.4 For clarity and ease of re-assessment, the following table summarizes the parameters requiring re-determination and re-assessment for the Bill of Entry:

Table - 3: Parameters requiring Re-determination / Re-assessment

S. No.	Parameter	Declared Particulars	Re-determined Particulars
1	Description of Goods	Misc. Items (including Packing Material)	Actual goods as per Table-III of Investigation Report (Screen Protectors, Speakers, Earphones, Tool Kits etc.)
2	Classification (CTH)	Various CTHs (including Chapter 39 for packing material)	CTH 70072900 & 70072190 for Screen Protectors; other declared CTHs retained
3	Quantity & Weight	As per Bill of Entry (under-reported)	Actual quantity & weight as per Panchnama & Examination Report
4	Assessable Value	Rs. 8,01,070.12	Rs. 75,21,405

15. I find that all the goods imported under Z-Bill of Entry No. 5647308 dated 12.11.2025 are freely importable under the Foreign Trade Policy without any requirement of DGFT licence. However, the audio products and

related items viz. Big Speaker With Aux/Usb (Sr. Nos. 1, 12 & 18), Bluetooth Wireless Earphone (Sr. Nos. 2 & 9), Mini Headphone (Sr. No. 9), Smart Watch (Sr. No. 19) and USB Dock (Sr. No. 28) fall under the compulsory BIS certification regime as per the applicable Quality Control Orders.

15.1 It is established that the importer had produced the following valid BIS certificates at the time of examination, which were duly verified on the BIS Care App and found to be in order:

- BIS Certificate No. **R-41169188** (valid till 05.11.2026) covering Big Speaker, Mini Speaker and Small Speaker.
- BIS Certificate No. **R-41187810** (valid till 18.04.2027) covering Bluetooth Wireless Earphone and Mini Headphone.
- BIS Certificate No. **R-41216763** (valid till 03.02.2028) covering Smart Watch (Unbranded) and USB Dock.

15.2 There is no requirement of FSSAI licence, Legal Metrology registration or any health-related certification for any of the goods found during examination. No goods were found to be prohibited or restricted under the Foreign Trade Policy or any other law.

15.3 I find that the importer has fully complied with the mandatory BIS certification requirements for the notified items. There is no violation of any DGFT, BIS or other regulatory provisions. Consequently, the goods do not attract confiscation under Section 111(d) of the Customs Act, 1962 or under any other clause relating to import policy violation.

16. In respect of the confiscation under Section 111(l) & 111(m) of the Customs Act, 1962. In this regard, I find that as far as confiscation of goods is concerned, Section 111 of the Customs Act, 1962 defines the confiscation of improperly imported goods. The relevant legal provisions of Section 111 of the Customs Act, 1962 are reproduced below:

(l) any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;

(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof, or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54;"

16.1 In view of the facts and material evidence on record, it is clearly established that the goods imported in the present shipment have been found mis-declared in respect of description, quantity, weight, classification, valuation and other material particulars. The consignment was imported vide Z-Bill of Entry No. 5647308 dated 12.11.2025 from the SEZ unit at Mundra and was intended for clearance into the Domestic Tariff Area (DTA) for home consumption. As per Rules 47 and 48 of the SEZ Rules, 2006, once the goods are intended for DTA clearance, their valuation and assessment are governed by the provisions of the Customs Act, 1962 and the rules made thereunder. Thus, the imported goods are fully subject to the provisions of the Customs Act, 1962, including the provisions relating to confiscation for mis-declaration.

16.2 I find that the goods imported by M/s Ace Electro Trade were not correctly declared in respect of their description, classification, quantity and weight. The importer had declared the consignment inter alia as "Packing Material For Mobile Accessories More Than 100 Micron" under Chapter 39, whereas upon examination the goods were found to be **Screen Protectors** correctly classifiable under CTH 70072900 and 70072190. Further, the declared weight of these items was substantially under-reported (declared total 12,910 kg against actual 16,169 kg) and the total quantity of Screen Protectors was found to be 7,55,500 pieces. The importer has not disputed

any of the findings recorded in the Panchnama dated 19.12.2025 or in the Investigation Report.

16.3 I find that the undeclared / mis-declared goods (Screen Protectors) which were not included in the entry made under the Bill of Entry and the excess quantity/weight found during examination are liable to confiscation under Section 111(l) of the Customs Act, 1962. I also find that the mis-declaration of description, classification, quantity, weight and value in the Bill of Entry brings the goods within the ambit of Section 111(m) of the Customs Act, 1962, as the goods do not correspond in respect of description, classification, value and other material particulars with the entry made under the Customs Act, 1962. Accordingly, I find that the imported goods are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

17. From the above, as discussed in Paras 12.4, 13.2, 14.3 and 16.3, it is evident that the importer has mis-declared the goods in respect of description, classification, quantity, weight, valuation and other material particulars. Thus, by these acts, the importer has rendered the subject goods liable for confiscation and also rendered themselves liable for penal action under the provisions of Section 112(a) of the Customs Act, 1962. With respect to the dutiable goods, I find that the importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962.

17.1 As regards the penalty on the importer under Section 114AA of the Customs Act, 1962 is concerned, Section 114AA mandates penal action for intentional usage of false and incorrect material against the offender. From the investigation and other material particulars, it is observed that the importer has dealt with incorrect documents while filing the Bill of Entry for the said shipment. The importer had knowingly and intentionally made/signed/used and/or caused to be made/signed/used the import documents and other related documents which were false or incorrect in material particulars such as description, classification, quantity, weight and

value, with mala-fide intention, and therefore, the importer is liable to penalty under Section 114AA of the Customs Act, 1962.

18. As the impugned goods have been found liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962, it becomes necessary to examine whether redemption fine under Section 125 of the said Act is imposable in lieu of confiscation. The statutory provision reads as under:

> *"Section 125. Option to pay fine in lieu of confiscation.—(1) 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 [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."*

18.1 A plain reading of the above provision reveals that the imposition of redemption fine serves as an alternative to confiscation, providing the owner of the goods an opportunity to redeem them on payment of a fine, wherever their clearance for home consumption is not restricted under any policy or statutory provision.

18.2 In the instant case, the goods are dutiable but not prohibited under the Customs Tariff Act, 1975 or the Foreign Trade (Development & Regulation) Act, 1992. There exists no restriction or prohibition under any policy framework which would prevent their clearance for home consumption. All the goods, including the mis-declared Screen Protectors, are freely importable after payment of applicable customs duty, and the importer has produced valid BIS certificates for the notified items which have been verified and found in order.

18.3 Since the goods are non-prohibited, and the importer has not opted for re-export, the mandatory provision under Section 125(1) comes into operation. Accordingly, the importer is entitled to the option of redemption

of the confiscated goods for home consumption on payment of an appropriate fine in lieu of confiscation.

19. In view of the above findings, I conclude that the importer, M/s Ace Electro Trade, mis-declared the goods in respect of description (Packing Material mis-declared as Screen Protectors), classification (Chapter 39 wrongly declared instead of Chapter 70), quantity and weight (grossly under-reported), and deliberately undervalued the consignment, thereby rendering the goods liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962, and making the importer liable to penalty under Sections 112(a)(ii) and 114AA of the Customs Act, 1962; further, as the goods are dutiable but not prohibited under any law and the importer has complied with the mandatory BIS certification requirements, an option to redeem the confiscated goods for home consumption on payment of an appropriate redemption fine is required to be extended under Section 125(1) of the Customs Act, 1962.

20. In view of the above discussion and findings, I pass the following order.

Order

(i) I order to reject the self-assessment made by the importer under Section 17(1) of the Customs Act, 1962 for Z-Bill of Entry No. 5647308 dated 12.11.2025. Further, I order to re-assess the said Bill of Entry in accordance with the re-determined parameters mentioned in this order under the provisions of Section 17(4) of the Customs Act, 1962. The duty so arising consequent to such re-assessment shall be payable by the importer.

(ii) I order to reject the declared assessable value of Rs. 8,01,070.12/- and order to re-determine the same as Rs. 75,21,405/- (Rupees Seventy Five Lakh Twenty One Thousand Four Hundred Five only) under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

(iii) I order for confiscation of the goods imported vide Z-Bill of Entry No. 5647308 dated 12.11.2025, having a re-determined assessable value of Rs.

75,21,405/- (Rupees Seventy Five Lakh Twenty One Thousand Four Hundred Five only), under Sections 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the said goods for home consumption on payment of a redemption fine of Rs. 7,50,000/- (Rupees Seven Lakh Fifty Thousand only) under Section 125 of the Customs Act, 1962, as the same are not prohibited goods.

(iv) I impose a penalty of Rs. 2,20,000/- (Rupees Two Lakh Twenty Thousand only) upon the importer under Section 112(a)(ii) of the Customs Act, 1962.

(v) I impose a penalty of Rs. 1,00,000/- (Rupees One Lakh only) upon the importer under Section 114AA of the Customs Act, 1962.

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

Digitally signed by Dipakbhai Zala
Date: 10-04-2026 16:10:05

Additional Commissioner,
Customs House, Mundra

Copy to:

1. M/s Ace Electro Trade (IEC: DDNPA0326N)
   Lower Ground Floor, Bearing No. 3 Gali No. 17,
   Reghar Pura, Near Hard, Delhi-110005
2. RRA/TRC/EDI Sections, Custom House, Mundra