

	<b>कार्यालय: प्रधान आयुक्त सीमा शुल्क, मुन्द्रा,</b> <b>सीमा शुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421</b> <b>OFFICE OF THE COMMISSIONER OF CUSTOMS, CUSTOM</b> <b>HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421.</b>	
<b>A</b>	<b>FILE NO.</b> फाइल संख्या	<b>CUS/APR/ASS/2090/2025-Gr 4- O/o Pr</b> <b>Commr-Cus-Mundra</b>
<b>B</b>	<b>OIO NO.</b> आदेश संख्या	<b>MCH/ADC/ZDC/361/2025-26</b>
<b>C</b>	<b>PASSED BY</b> जारीकर्ता	<b>Zala Dipak</b> <b>Additional Commissioner of Customs</b> <b>Custom House, Mundra</b>
<b>D</b>	<b>DATE OF ORDER</b> आदेश की तारीख	<b>31.10.2020</b>
<b>E</b>	<b>DATE OF ISSUE</b> जारी करने की तिथि	<b>31-10-2025</b>
<b>F</b>	<b>SCN No. &amp; Date</b> कारण बताओ नोटिस क्रमांक	<b>Waived as per request letter of Imparter</b> <b>dated 18.09.2025.</b>
<b>G</b>	<b>NOTICEE/ PARTY/</b> <b>IMPORTER</b> नोटिसकर्ता/पार्टी/आयातक	<b>M/s. KK Industries,</b> <b>(IEC: DDQPD1941H)</b>
<b>H</b>	<b>DIN/दस्तावेज पहचान संख्या</b>	<b>20251071MO000000A1F7</b>

1. यह 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 आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 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 128A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:**

**“सीमाशुल्क आयुक्त) अपील,**

**चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,**

**नवरंगपुरा, अहमदाबाद 380 009”**

**“THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA**  
**HAVING HIS OFFICE AT 4<sup>TH</sup> FLOOR, HUDCO BUILDING, ISHWAR**

**BHUVAN ROAD,  
NAVRANGPURA, AHMEDABAD-380 009.”**

3. उक्तअपील यहआदेश भेजने की दिनांक से 60दिन के भीतर दाखिल की जानी चाहिए।

**Appeal shall be filed within sixty days from the date of communication of this order.**

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5 -/रुपए 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 be accompanied by –**

- i. उक्त अपील की एक प्रति और **A copy of the appeal, and**
- ii. इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची 1-के अनुसार न्यायालय शुल्क अधिनियम 1870-के मद सं. 6-में निर्धारित 5 -/रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

**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. अपील ज्ञापन के साथ ड्यूटी /ब्याज /दण्ड /जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये।

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

6. अपील प्रस्तुत करते समय, सीमाशुल्क) अपील (नियम, 1982और सीमाशुल्क अधिनियम, 1962के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।

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

7. 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 (A)** 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.**

**Issue Brief and Details of Bill of Entry:**

1. On basis of data analysis by this office it came to notice that the goods imported by **M/s. KK Industries, G-79, Ground Floor, Laxmi Nagar, Vijay Chowk, Delhi-110092 (IEC: DDQPD1941H)**, (herein after referred as “the importer” for brevity) under Bill of Entry No. 4015409 Dated 21.08.2025, filed at APSEZ (INAJM6), appears to be at high risk for mis-declaration and/or concealment of prohibited/restricted goods. The goods were destined to M/s Fast Track CFS Pvt Ltd., APSEZ, Mundra. The details of the goods declared in the Bill of entry no. Z-4015409 Dated 21.08.2025 are detailed below:

**Table-I**

<b>Sr. No</b>	<b>CTH</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit Price in USD</b>	<b>UQC</b>
1	95059090	Decorative Accessories	1942	0.58	Kgs
2	84678100	Saw Chain	3799	0.68	Kgs
3	64029990	Slippers – Re-export	250	10.96	Nos
4	84818020	Flange for Taps	744	3.06	GRS
5	83024200	Tandom	4550	1.23	Doz
6	42022290	Ladies Bags	160	2.15	Doz
7	42022290	Gift Bag	27	4.65	GRS

**Examination of the Goods:**

2. Whereas, the examination of the Bill of Entry No. 4015409 Dated 21.08.2025 was conducted on 17.09.2025 under examination report in the presence of Shri Narendra Sinh G. Jadeja, representative of importer and Shri Chirag Sudhakar More, representative of SEZ unit, M/s Fast Track CFS Pvt Ltd., APSEZ, Mundra. The goods, received in container no. HPCU4497544, were examined as per the commercial invoice No. SKT2025/0277 dated 02.07.2025, issued by M/s Shenglida import and export Co. Ltd, Hong Kong. During the inspection, the container's seal was found intact and matched the details present in the Bill of Lading. The container was checked for external damage and found to be in good condition. The seal was then cut, and upon opening the container doors, it was observed that the container was loaded with goods packed in bags/cartons. The details of weighment are as follows:

**Table-II**

<b>Sr. No</b>	<b>Container No.</b>	<b>Weight as per BL</b>	<b>Weight as per Weighment Slip</b>	<b>UQC</b>
1	HPCU4497544	25784	27220	Kgs

Total 1436 kgs weight was found in excess. During the course of examination total of 1147 bags/ cartons was found. On opening of the cartons the goods were found as different misc. items. The details of the goods found on examination is as below:

**Table-III**

Sr. No.	Particular	Nos. of Carton	Weight of Goods (in Kgs) Approx.
1	Decorative Accessories (Different Shapes & Sizes)	114	2964
2	Bike Chain	160	3824
3	Slippers – For Re-export (Different Shapes & Sizes)	250	5822
4	Flange for Taps (Different Shapes & Sizes)	153 (Total - 137700 pieces)	3987
5	Drawer System (Tandem Box) (Different Size and Designs)	450 (Total – 2363 pairs)	9799
6	Ladies Bags (Different Size and Designs)	16 (Total – 1920 pieces)	604
7	Gift Bags (Different Designs)	4 (Total - 40000 pieces)	220
		Total	27220

The weighment and quantity of the goods found mis-declared. Further, the goods mentioned at Sr. No. 2 of above table found as Bike/Motorcycle Chain instead of the declared goods i.e. Saw Chain.

### **3. Classification of the Goods:**

The importer has declared the goods as misc. items under various CTH. The CTH of the items mentioned at Sr. No. 1, 5, 6 and 7 is found as declared. The goods mentioned at Sr. No. 3 was meant for re-export purpose. Further, the goods mentioned at Sr. No. 2 and 4 was found misclassified.

1. The goods at Sr. No. 2 was found as Bike/ Motorcycle Chain in examination instead of the declared goods i.e. Saw Chain. The goods Bike/ Motorcycle Chain will be rightly classified under CTH 871499. The extract of relevant CTH is as below:  
8714 99 -- Other:

8714 99 10 --- Bicycle chains

8714 99 20 --- Bicycle wheels

8714 99 90 --- Other

From the above the CTH of the goods appears correctly classifiable under CTH 87149910, **wherein the applicable duty structure is 20% BCD + 10% SWS of BCD+12% IGST.**

2. The goods at Sr. No. 4 was found as Flanges for Taps made of alloy steel in examination. The goods Flanges for Taps made of alloy steel will be rightly classified under CTH 848180. The extract of relevant CTH is as below:

8481 80 - Other appliances:

8481 80 10 --- Taps, cocks and similar appliances of iron or steel

8481 80 20 --- Taps, cocks and similar appliances of non- ferrous metal

8481 80 30 --- Industrial valves (excluding pressure-reducing valves, and thermostatically controlled valve

From the above the CTH of the goods appears correctly classifiable under CTH 84818010, **wherein the applicable duty structure is 7.5% BCD + 10% SWS of BCD+18% IGST.**

The details of re-determined CTH is as below:

**Table-IV**

<b>Sr. No</b>	<b>Description</b>	<b>Declared CTH</b>	<b>Re-determined CTH</b>
1	Decorative Accessories	95059090	95059090
2	Saw Chain	84678100	87149910
3	Slippers – Re-export	64029990	64029990
4	Flange for Taps	84818020	84818010
5	Tandom	83024200	83024200
6	Ladies Bags	42022290	42022290
7	Gift Bag	42022290	42022290

#### **4. Rejection and Determination of Valuation:**

4.1. The inconsistency observed in filing of the Bill of Entry suggests deliberate Undervaluation and mis-declaration of the goods. In the Bill of Entry No. 4015409 Dated 21.08.2025, submitted by the importer consist of misc. item were listed for import as detailed in Table-I above.

4.2. As imported items were found to be undervalued, un-declared and mis-classified in the Bill of Entry No. 4015409 Dated 21.08.2025, hence they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Since, mis-declaration of the goods, in parameters such as valuation, quantity and classification, was noticed, the declared value of the goods is liable to be determined in terms of Rule 12, explanation 1 (i), of the said Rules, 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 undeclared. 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, the Chartered Engineer was appointed for valuation of the goods. The Chartered Engineer vide his report ref no. AYK:VAL:02675:2025 dated 14.10.2025 has suggested the valuation of the imported goods. As per CE and view of the valuation of Item No. 1 and 3 as per importer's declaration in BE, The valuation of the goods is as below:

**Table-V**

Sr.		Total	Measure	Declared Unit price per (in	Unit Suggestive Average C.I.F.	Total Suggestive Average	Total Suggestive Average
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No.	Description	Quantity	Unit	USD)	Value of Kgs/Pcs/ Nos by C.E. (in USD)	C.I.F. Value by C.E. (in USD)	C.I.F. Value by C.E. (in INR) \$=88.60
1	Decorative Accessories (Different Shapes & Sizes)	2964	Kgs	0.58/ Kgs	0.58	1719.12	152314.03
2	Bike Chain	3824	Kgs	0.68/ Kgs	1	3824	338806.4
3	Slippers – For Re-export (Different Shapes & Sizes)	250	Nos	10.96/Nos	10.96	2740	242764
4	Flange for Taps (Different Shapes & Sizes)	3987	Kgs	3.06/ Grs	1.4	5581.8	494547.5
5	Drawer System (Tandem Box) (Different Size and Designs)	9799	Kgs	1.23/ Doz	1.03	10092.97	894237.1
6	Ladies Bags (Different Size and Designs)	1920	Pcs	2.15/ Doz	1.25	2400	212640
7	Gift Bags (Different Designs)	40000	Pcs	4.65/ Grs	0.03	1200	106320
Total						27557.89	24,41,629/-

The chartered engineer, empanelled by the government, determined the fair value of the goods to be **Rs. 24,41,629/-** (Rs. Twenty-Four Lakh Forty-One Thousand Six Hundred Twenty-Nine only) in contrast to the declared assessable value as **Rs. 13,10,604/-**. The value of item mentioned at Sr. No. 3 of above table was taken as declared in the BE as the same item is declared for re-export purpose. The value of item no. 1 of above Table-V was evaluated by CE as USD 0.46/Kgs. However, the declared value of the goods is USD 0.58/Kgs and accordingly, the declared value is accepted for valuation.

4.3. With the introduction of self-assessment under Section 17(1) of the Customs Act, 1962, the responsibility lies squarely on the importer to accurately self-assess the Bill of Entry and declare the correct amount of leviable duty. By failing to declare dutiable goods correctly in the Bill of Entry, the importer's actions indicate an intent to evade payment of the correct

duties on the imported goods. This deliberate omission raises reasonable grounds to believe that the importer wilfully and intentionally concealed dutiable goods, thereby causing a loss to government revenue.

## 5. **Re-determination of Duty:**

5.1. Based on the foregoing paragraphs, it is evident that the importer has undervalued/mis-classified the imported goods to evade payment of duties and taxes by. The duty liability for the imported goods as per re-determined value is ascertained as under:

**Table-VI**

<b>Sr. No.</b>	<b>Description</b>	<b>Total Quantity</b>	<b>Measure Unit</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in USD)</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in INR) \$=88.60</b>	<b>BCD @ 20% (in Rs.)</b>	<b>SWS @ 10% of BCD(in Rs.)</b>	<b>IGST @ 18% (In Rs.)</b>	<b>Total Duty (in Rs.)</b>
1	Decorative Accessories (Different Shapes & Sizes)	2964	Kgs	1719.12	152314.032	30462.8	3046.3	33448.2	66957.2
<b>Sr. No.</b>	<b>Description</b>	<b>Total Quantity</b>	<b>Measure Unit</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in USD)</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in INR) \$=88.60</b>	<b>BCD @ 20% (in Rs.)</b>	<b>SWS @ 10% of BCD(in Rs.)</b>	<b>IGST @ 12% (In Rs.)</b>	<b>Total Duty (in Rs.)</b>
2	Bike Chain	3824	Kgs	3824	338806.4	67761.3	6776.1	49601.3	124138.7
<b>Sr. No.</b>	<b>Description</b>	<b>Total Quantity</b>	<b>Measure Unit</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in USD)</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in INR) \$=88.60</b>	<b>BCD @ 20% (in Rs.)</b>	<b>SWS @ 10% of BCD(in Rs.)</b>	<b>IGST @ 18% (In Rs.)</b>	<b>Total Duty (in Rs.)</b>
3	Slippers – For Re-export (Different Shapes & Sizes)	250	Nos	2740	242764.0	48552.8	4855.3	53311.0	106719.1
<b>Sr. No.</b>	<b>Description</b>	<b>Total Quantity</b>	<b>Measure Unit</b>	<b>Total Suggestive Average C.I.F. Value by</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in</b>	<b>BCD @ 7.5% (in Rs.)</b>	<b>SWS @ 10% of BCD(in Rs.)</b>	<b>IGST @ 18% (In Rs.)</b>	<b>Total Duty (in Rs.)</b>



				<b>C.E. (in USD)</b>	<b>INR) \$=88.60</b>				
4	Flange for Taps (Different Shapes & Sizes)	3987	Kgs	5581.8	494547.5	37091.1	3709.1	96362.6	137162.7
<b>Sr. No.</b>	<b>Description</b>	<b>Total Quantity</b>	<b>Measure Unit</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in USD)</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in INR) \$=88.60</b>	<b>BCD @ 15% (in Rs.)</b>	<b>SWS @ 10% of BCD(in Rs.)</b>	<b>IGST @ 18% (In Rs.)</b>	<b>Total Duty (in Rs.)</b>
5	Drawer System (Tandem Box) (Different Size and Designs)	9799	Kgs	10092.97	894237.1	134135.6	13413.6	187521.5	335070.7
6	Ladies Bags (Different Size and Designs)	1920	Pcs	2400	212640.0	31896.0	3189.6	44590.6	79676.2
7	Gift Bags (Different Designs)	40000	Pcs	1200	106320.0	15948.0	1594.8	22295.3	39838.1
Total				27557.89	2441629.1	365847.5	36584.8	511931.0	8,89,563/-

From the **Table VI above**, it appears that the total duty liability of the importer is Rs. 8,89,563/- (Rupees Eight Lakh Eighty-Nine Thousand Five Hundred Sixty-Three only).

5.2. The importer in the BE no. 4015409 Dated 21.08.2025, has declared the value of the goods as Rs. 13,10,604/- and calculated the applicable duties and taxes on the good declared, based on the declared value and classification in the Bill of Entry as **Rs. 4,71,397/-**.

5.3. Based on the calculations from para Table-III above, the importer is need to pay/levy a differential liability of Rs. 4,18,166/- (Rs. Four Lakh Eighteen Thousand One Hundred Sixty-Six only) on the mis-declared/undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the misdeclaration/undervaluation of goods.

## 6. **LEGAL PROVISIONAS:**

6.1. **Section 2 (14)** of the Customs Act, 1962, "**dutiable goods**" means any goods which are chargeable to duty and on which duty has not been paid;

6.2. **SECTION 46**(4) of the Customs Act, 1962, *prescribes that the importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed.*

6.3. **Section 111** of the of the Customs Act, 1962- **Confiscation of improperly imported goods, etc. as under**

The following goods brought from a place outside India shall be liable for 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 transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54.*

...

6.4. **Section 112** of the Customs Act, 1962, penal provisions for improper importation of goods, etc. which read as under:

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, -*

*(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:*

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

*(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees], whichever is the greater;*

*(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the*

*declared value and the value thereof or five thousand rupees], whichever is the highest;*

*(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.*

**6.5. Section 114AA.** *Penalty for use of false and incorrect material.—If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.*

**6.6. SECTION 124** prescribes the mandatory issuance of show cause notice before confiscation of goods, which read as under:

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

- a. *is given a notice in writing with the prior approval of the officer of Customs not below the rank of an Assistant Commissioner of Customs, informing him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;*
- b. *is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and*

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

**Provided** *that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned be oral.*

**Provided** *further that notwithstanding issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.*

**6.7. SECTION 125** provides the Option to pay fine in lieu of confiscation as under:

*(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:*

**Provided** *that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section*

(6) of that section in respect of the goods which are not prohibited or restricted, 3 [no such fine shall be imposed];

**Provided** further that, without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.

(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.]

(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.

#### 6.8. **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.

#### 7. **Outcome of Investigation:**

On basis of data analysis by this office it came to notice that the goods imported by M/s. KK Industries, G-79, Ground Floor, Laxmi Nagar, Vijay Chowk, Delhi-110092 (IEC: DDQPD1941H), under Bill of Entry No. 4015409 Dated 21.08.2025, filed at APSEZ (INAJM6) are risky consignment for misdeclaration or undervaluation. Accordingly, an investigation was initiated by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra. The investigation revealed valuation irregularities in the import consignment of M/s. KK Industries under Bill of Entry No. 4015409 Dated 21.08.2025. The examination uncovered deliberate undervaluation of goods, indicating intent to evade Customs duties. The outcomes of the investigation are as follows:

##### 7.1. **Examination and Findings:**

The examination of the Bill of Entry No. 4015409 Dated 21.08.2025 was conducted on 17.09.2025 under examination report in the presence of Shri Narendra Sinh G. Jadeja, representative of importer and Shri Chirag Sudhakar More, representative of SEZ unit, M/s Fast Track CFS Pvt Ltd., APSEZ, Mundra. The goods, received in container no. HPCU4497544, were examined as per the commercial invoice No. SKT2025/0277 dated 02.07.2025, issued by M/s Shenglida import and export Co. Ltd, Hong Kong. During the inspection, the container's seal was found intact and matched the details present in the Bill of Lading. The container was checked for external damage and found to be in good condition. The seal was then cut, and upon opening the container doors, it was observed that the container was loaded with goods packed in bags/cartons. The details of weightment are as follows:

Sr. No	Container No.	Weight as per BL	Weight as per Weightment Slip	UQC
1	HPCU4497544	25784	27220	Kgs

Total 1436 kgs weight was found in excess. During examination total of 1147 bags/ cartons was found. On opening of the cartons the goods were found as different mis items. The details of the goods found on examination is as below:

Sr. No.	Particular	Nos. of Carton	Weight of Goods (in Kgs) Approx.
1	Decorative Accessories (Different Shapes & Sizes)	114	2964
2	Bike Chain	160	3824
3	Slippers – For Re-export (Different Shapes & Sizes)	250	5822
4	Flange for Taps (Different Shapes & Sizes)	153 (Total - 137700 pieces)	3987
5	Drawer System (Tandem Box) (Different Size and Designs)	450 (Total – 2363 pairs)	9799
6	Ladies Bags (Different Size and Designs)	16 (Total – 1920 pieces)	604
7	Gift Bags (Different Designs)	4 (Total - 40000 pieces)	220
		Total	27220

The weighment and quantity of the goods found mis-declared. Further, the goods mentioned at Sr. No. 2 of above table found as Bike/Motorcycle Chain instead of the

#### 7.2. **Valuation of the Goods:**

The chartered engineer, empaneled by the government, determined the fair value of the goods to be **Rs. 24,41,629/-** (Rs. Twenty-Four Lakh Forty-One Thousand Six Hundred Twenty-Nine only) in contrast to the declared assessable value as **Rs. 13,10,604/-**. The value of item mentioned at Sr. No. 3 of above table was taken as declared in the BE as the same item is declared for re-export purpose.

#### 7.3. **Classification:**

The details of declared and re-determined CTH of the Bill of Entry is as below:

<b>Sr. No</b>	<b>Description</b>	<b>Declared CTH</b>	<b>Re-determined CTH</b>
1	Decorative Accessories	95059090	95059090
2	Saw Chain	84678100	87149910
3	Slippers – for Re-export purpose	64029990	64029990
4	Flange for Taps	84818020	84818010
5	Tandom	83024200	83024200
6	Ladies Bags	42022290	42022290
7	Gift Bag	42022290	42022290

#### 7.4. **Duty Evasion:**

From the **Table VI above**, it appears that the total duty liability of the importer is Rs. 8,89,563/- (Rupees Eight Lakh Eighty-Nine Thousand Five Hundred Sixty-Three only). The importer in the BE no. 4015409 Dated 21.08.2025, has declared the value of the goods as Rs. 13,10,604/- and calculated the applicable duties and taxes on the good declared, based on the declared value and classification in the Bill of Entry as **Rs. 4,71,397/-**.

Based on the calculations from para Table-III above, the importer is need to pay/levy a differential liability of Rs. 4,18,166/- (Rs. Four Lakh Eighteen Thousand One Hundred Sixty-Six only) on the mis-declared/undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the misdeclaration/undervaluation of goods.

#### 7.5. **Conclusion:**

The importer has, by their acts of omission and commission, rendered the goods found mis-classified/undervalued and undeclared, with a re-determined assessable value of INR 24,41,629/- under Bill of Entry No. 4015409 Dated 21.08.2025, liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962, and is therefore also liable for penalty under Section 112(a) (ii) of the Customs Act, 1962. From the above it appears that the importer has intentionally misdeclared the quantity and mis-classified the goods to evade Customs Duty. Therefore, the importer is also liable for penalty under Section 114AA of the Customs Act, 1962.

**Waiver of Notice and Personal Hearing: -**



8 . The importer M/s. KK Industries, G-79, Ground Floor, Laxmi Nagar, Vijay Chowk, Delhi-110092 (IEC: DDQPD1941H) vide their letter dated 15.10.2025, have requested for waiver of the Show Cause Notice and personal hearing in the matter, necessary adjudication proceeding/action may be initiated in respect of the said Bill of Entry as per the Customs Act, 1962. The importer has accepted the valuation of CE, and requested the release of the consignment.

**Discussion and Findings:**

9 . I have carefully gone through the records of the case, investigation report dated 08.10.2025, Valuation report by empanelled Chartered Engineer and the applicable provisions of law. The importer, M/s. KK Industries, vide letter dated 22.09.2025 has requested for waiver of Show Cause Notice and Personal hearing. Thus, the principles of Natural justice as provided in 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 records. The issues to be decided by me are:

i. whether the declared weight of the goods is liable for rejection and the same needs to be re-determined ;

ii. Whether the declared total assessable value of the goods i.e. Rs. 13,10,604/- is liable to be rejected and re-determined to Rs. 24,41,629/- under Rule 9 of the Customs Valuation Rules, 2007.

iii. Whether declared CTH of the goods mentioned at Sr. No. 2 and 4 of the Bill of Entry No. 4015409 dated 21.08.2025 is liable to be rejected and the same needs to be re-determined as per Table-IV.

iv. 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. 4,18,166/- under Section 17(4) of the Customs Act, 1962.

v. Whether the goods mentioned at Sr. No. 3 of the Bill of Entry No. 4015409 dated 21.08.2025 may be allowed for re-export only as per importer's declaration.

vi. Whether the goods vide Bill of Entry no. 4015409 dated 21.08.2025

having re-determined value of Rs, 24,41,629/-, are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

- vii. Whether the importer is liable for penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962.

10. Regarding the first issue, I find that during the examination of the Bill of Entry No. 4015409 dt. 21.08.2025 on 17.09.2025 filed by the importer, M/s. KK Industries, goods were examined as per the commercial invoice No. SKT2025/0277 dated 02.07.2025. When the seal was cut, it was observed that the container was loaded with goods packed in bags/cartons. Total 1436 Kgs of weight was found in excess. The weighment of the goods are mis-declared. Hence, the declared weighment of the goods are liable for rejection and should be re-determined.

11. Regarding the second issue, I find that inconsistency observed in filing of the Bill of Entry suggests deliberate Undervaluation and mis-declaration of the goods. On opening of the cartons the goods were found as different misc. items. Item No. 2 of Bill of Entry was declared as "saw chain", however goods found on examination was found to be "Bike Chain" which is rightly classifiable under CTH 87149910. Total of 1436 Kgs weight was found in excess. Imported items were found to be undervalued, un-declared and mis classified in the Bill of Entry No. 4015409 Dated 21.08.2025, hence they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Since, mis-declaration of the goods, in parameters such as valuation, quantity and classification, was noticed, the declared value of the goods is liable to be determined in terms of Rule 12. As 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.

12. 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. 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. 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.

13. Hence, valuation of the goods is to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid*. Accordingly, the Chartered Engineer was appointed for valuation of the goods. The Chartered Engineer vide his report ref no. AYK:VAL:02675:2025 dated 14.10.2025 has suggested the valuation of the imported goods. The chartered engineer, empanelled by the government, determined the fair value of the goods to be Rs. 24,41,629/- (Rs. Twenty-Four Lakh Forty-One Thousand Six Hundred Twenty-Nine only) in contrast to the declared assessable value as Rs. 13,10,604/-. In view of above, the declared value of the goods, i.e. Rs. 13,10,604/-, is liable to be rejected and the same needs to be re-determined as Rs. 24,41,629/- as mentioned above in

## Table-V.

14. Regarding the third issue, the goods at Sr. No. 2 was found as Bike/ Motorcycle Chain in examination instead of the declared goods i.e. Saw Chain. The goods Bike/ Motorcycle Chain will be rightly classified under CTH 871499 wherein the applicable duty structure is 20% BCD + 10% SWS of BCD+12% IGST. The goods at Sr. No. 4 was found as Flanges for Taps made of alloy steel in examination. The goods Flanges for Taps made of alloy steel will be rightly classified under CTH 848180 wherein the applicable duty structure is 7.5% BCD + 10% SWS of BCD+18% IGST.

15. Regarding the fourth issue, 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. 4,18,166/- under Section 17(4) of the Customs Act, 1962. I find that from the above discussion, it is evident that the importer has undervalued/mis-classified the imported goods to evade payment of duties and taxes by. As per valuation done by the Chartered Engineer, empanelled by the Government, the fair value of the goods amounts to be Rs. 24,41,629/- in contrast to the declared assessable value as Rs. 13,10,604/-, resulting in the duty difference of Rs. 4,18,166/-. The duty liability for the imported goods as per re-determined value is ascertained. Therefore, I find that the self assessment done by importer is liable for rejection and re-assessment of the Bill of Entry should be done under Section 17(4) of the Customs Act, 1962.

16. Regarding the fifth issue, I find that the value of item mentioned at Sr. No. 3 of above table was taken as declared in the BE as the same item is declared for re-export purpose. The value of item no. 1 of above Table-V was evaluated by CE as USD 0.46/Kgs. However, the 5 CUS/SIIB/HOC/70/2025-SIIB-O/o Pr Commr-Cus-Mundra I/3443226/2025 declared value of the goods is USD 0.58/Kgs and

accordingly, the declared value is accepted for valuation.

17. Regarding the sixth issue, I find that the importer has misdeclared the goods; goods were found in excess quantity and undervalued. On opening of the cartons the goods were found as different misc. items. Item No. 2 of Bill of Entry was declared as “saw chain”, however goods found on examination was found to be “Bike Chain” which is rightly classifiable under CTH 87149910. Total of 1436 Kgs weight was found in excess. Imported items were found to be undervalued, un-declared and misclassified in the Bill of Entry No. 4015409 Dated 21.08.2025. Therefore, importer’s acts of omission and commission, rendered the goods misclassified/undervalued and undeclared, with a re-determined assessable value of INR 24,41,629/- under Bill of Entry No. 4015409 Dated 21.08.2025, liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962.

18. Regarding the seventh issue, the importer is liable for penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962.- I find that From the above discussion, it appears that the importer has intentionally misdeclared the quantity and mis-classified the goods to evade Customs Duty, which leads to confiscation of dutiable goods u/s 111(l) and 111(m) of the Customs Act, 1962. The importer has intentionally misdeclared the dutiable goods, which leads to the confiscation of the said goods, rendered the importer themselves also liable for penalty under Section 112(A) of the Customs Act, 1962. As the importer has deliberately undervalued and misdeclared the goods, which rendered him also liable for penalty under Section 114AA of the Customs Act, 1962.

19. In view of the facts above, I pass the following order.

**ORDER**

-

(i) I order to reject the declared total assessable value of goods as Rs.

13,10,604/-, quantity and classification of the Bill of Entry No. 4015409 Dated 21.08.2025 and order to re-determine the value of the goods as Rs. 24,41,629/-.

(ii) I Order to re-assess the Bill of Entry 4015409 dated 21.08.2025 with differential duty of Rs. 4,18,166/- under section 17(4) of the customs Act, 1962.

(ii) I order to confiscate the imported goods of re-determined assessable value 24,41,629/- under Section 111(l) and 111(m) of the Customs Act, 1962. However, I give the importer an option under provision of Section 125(1) of the Customs Act, 1962, to redeem the said goods, except item at Sr. No 3 of above table No. VI, on payment of redemption fine of **Rs. 2,40,000 /- (Rupees Two Lakh Forty Thousand only)**.

(iii) I order to re-export the goods i.e Slippers at Sr. No 3 of above table No. VI under Section 125(1) of the Customs Act, 1962.

(iv) I impose a penalty of **Rs. 41,000/- (Rupees Forty One Thousand only)** on M/s. KK Industries u/s. 112 (a)(ii) of the Customs Act, 1962.

(v) I impose a penalty of **Rs. 50,000/- (Rupees Fifty Thousand only)** on M/s KK Industries u/s 114AA of the Customs Act, 1962.

2 0 . This Order-in-Original is issued without prejudice to any other action that may be taken against the importer under the Customs Act, 1962 or any other law for the time being in force.

**Additional Commissioner of Customs**

**Import Assessment  
Custom House, Mundra**

**To,**

**M/s. KK Industries, (IEC: DDQPD1941H)  
G-79, Ground Floor, Laxmi Nagar, Vijay Chowk, Delhi-110092,**

Copy to:-

1. The Addl. Commissioner (PCA), Custom House, Mundra.
2. The Assistant Commissioner (RRA/TRC/EDI), Custom House, Mundra.
3. Guard File