

		<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/32/2026-Gr 4-O/o Pr Commr-Cus-Mundra</b>
<b>B</b>	<b>OIO NO.</b> आदेश संख्या	<b>MCH/ADC/ZDC/542/2025-26</b>
<b>C</b>	<b>PASSED BY</b> जारीकर्ता	<b>Dipak Zala</b> <b>Additional Commissioner of Customs</b> <b>Custom House, Mundra</b>
<b>D</b>	<b>DATE OF ORDER</b> आदेश की तारीख	<b>15.01.2026</b>
<b>E</b>	<b>DATE OF ISSUE</b> जारी करने की तिथि	<b>15.01.2026</b>
<b>F</b>	<b>SCN No. &amp; Date</b> कारण बताओ नोटिस क्रमांक	<b>Waived as per request letter of Imparter dated 07.01.2026.</b>
<b>G</b>	<b>NOTICEE/ PARTY/ IMPORTER</b> नोटिसकर्ता/पार्टी/ आयातक	<b>M/s KDK OVERSEAS (IEC:AAZFK6954A)</b> <b>Plot No.4, Dharma Gold Industrial Estate, Lalpar Revenue Survey No. 39 P1 and 39 P2, Lalpar, Morbi, Gujarat-363642</b>
<b>H</b>	<b>DIN/दस्तावेज़ पहचान संख्या</b>	<b>2026017MO0000010820</b>

1. यह आदेश संबंधित 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. उक्त अपील यह आदेश भेजने की दिनांक से 60 दिन 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/- रुपये का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-

**Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must 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 इयूटि/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिए।

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

6. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमाशुल्क अधिनियम, 1962 के 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.**

### 1. Brief facts of the Case:

As per Investigation report No. 195/2025-26 dated 24.12.2025 issued by the SIIB Section, Customs House, Mundra, M/s KDK Overseas (IEC:AAZFK6954A), having office at, Plot No.4, Dharma Gold Industrial Estate, Lalpar Revenue Survey No. 39 P1 and 39 P2, Lalpar, Morbi, Gujarat-363642 (hereinafter referred as 'the said importer') has filed Bill of Entry No. 3207167 dated 11.07.2025 for import of the goods i.e. Metal Utility Bowl with all accessories of different sizes. The goods were examined by the Docks Officer and the BE was forwarded to SIIB for further necessary action. The details of the Bill of Entry are as below:

**TABLE-I**

Sr. No.	BE No./ Date	Container No.	BL No. / Date	Goods Declared		Quantity
				HSN	Description	
1	3207167 dated 11.07.2025	TEMU6701770	GOSUSHH 31756423 dated 12.06.2025	732410 00	Metal Utility Bowl 5345 HM	2672
				732410 00	Metal Utility Bowl 5345 HM	1578
				732410 00	Metal Utility Bowl 5345 HM	215
				732410 00	Metal Utility Bowl 5345 HM	1474
				732410	Metal Utility Bowl	19853

				00	5345 HM	
				732410	Metal Utility Bowl	597
				00	5345 HM	
				732410	Metal Utility Bowl	265
				00	5345 HM	
				732490	Metal Accessories	232
				00	Pipe Bucket	
				732490	Metal Accessories	34
				00	Faucet Accesories	
Total						26920

## 2. Examination of the Goods:

The goods were examined by the Officers of SIIB, Mundra under Examination Report dated 17.10.2025 at the premises of M/s All Cargo Logistics Ltd. Adani Port & SEZ, Mundra in the presence of Shri Shubham Kumar Yadav G Card Holder of CB Firm M/s Freight Link Logistics and Ashok Kumar Giri representative of M/s All Cargo Logistics Ltd. The Seal of container was already cut by Docks Officer for examination. Further, after examination the Docks Officer put the goods in said container and same was de-stuffed by the officer of SIIB. The weighment slip was cross checked and the details are as below:

**TABLE-II**

Sr. No.	Bill of Entry No. & Date	Container No.	BL Weight (KGs)	CFS Weight (KGs)
1	3207167 dated 11.07.2025	TEMU6701770	27470	27080

Further, the goods were examined by the SIIB officers. The goods were packed in different types of packing and same was placed in open area as one upon the other. Prima facie the goods appear as the goods are Stainless Steel Kitchen Sink with accessories of Different size. The quantity of the goods and package was found as declared in Bill of Entry. The details of the goods found on examination is as below:

**TABLE-III**

Sr. No.	Description of Goods	Quantity/Weight declared in BE	Quantity/Weight Found on Examination
1	Stainless Steel Kitchen Sink 4540 HM	2672	2672
2	Stainless Steel Kitchen Sink 5043 HM	1578	1578
3	Stainless Steel Kitchen Sink 5345 HM	215	215
4	Stainless Steel Kitchen Sink 5545 HM	1474	1474
5	Stainless Steel Kitchen Sink 6045 HM	19853	19853
6	Stainless Steel Kitchen Sink 8245 HM	597	597
7	Stainless Steel Kitchen Sink 9445 HM	265	265
8	Metal Accessories Pipe Bucket	232	232
9	Metal Accessories Faucet Accessories	34	34
Total		26920	26920

During the course of examination, the goods declared in the said BE was found mis-declared in terms of description. The goods found as Stainless Steel Kitchen Sink with accessories of different size. However, the quantity was found as declared in Bill of Entry. Prima Facie it appears that the said goods fall under the purview of BIS as per IS 13983:1994. Further, the goods appear highly undervalued.

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

The importer has declared the goods as Metal Utility Bowl with all accessories of different sizes and classified the goods under CTH 73241000. However, the goods were found as Stainless Steel Kitchen Sink with accessories of different size.

As per description of the goods i.e Stainless Steel Kitchen Sink with accessories it appears that the declared CTH is correct. The relevant extract of CTH 7324 is as below:

7324 SANITARY WARE AND PARTS THEREOF, OF IRON OR STEEL

7324 10 00- Sinks and wash basins, of stainless steel-Baths:

7324 21 00--Of cast iron, whether or not enamelled

7324 29 00 -- Other

7324 90 00 - Other, including parts

### **4. Compliance of Policy Conditions:**

The imported goods i.e. Stainless Steel Kitchen Sink with accessories found during the examination were falls under the compulsory registration with BIS as per IS No. 13983:1994. However, later DPIIT vide its order dated 22.08.2025 has supersede the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2024 and extended the applicability of BIS by 01.10.2025 vide Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025. So, from the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025 it clearly appears that the said order is not applicable on the goods of current consignment. Further, explanation was also sought from DPIIT via mail and they submitted that QCO was not applicable on the said products in the intervening period.

### **5. Rejection and Re-Determination of Valuation:**

5.1 The inconsistency observed in filing the Bill of Entry suggests deliberate undervaluation. In the Bill of Entry No. 3207167 dated 11.07.2025, submitted by the importer, the quantities declared, as detailed in Table I above, however, during examination the goods found as Stainless Steel Kitchen sink with accessories, as listed in Table III above.

5.2 As there is mis-declaration in description and valuation in the Bill of Entry No. 3207167 dated 11.07.2025, thus they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Since, mis-description of the goods, which have relevance to value, was noticed, the declared value of the undeclared goods is liable to be determined in terms of Rule 12, explanation 1 (i), of the Customs Valuation Rules (CVR), 2007, by going sequentially from Rule 2 to 9 thereof. Determination of valuation:

- a) Efforts were made to find out the correct assessable value of the imported goods found 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) 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) 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, A Chartered Engineer was appointed for the valuation of the goods. The Chartered Engineer vide his report ref no. CUS/617/25-26 dated 12.12.2025 has suggested the valuation of the imported goods as under:

**TABLE-IV**

Sr. No.	Item	Total Quantity	Unit	Total Suggestive Average C.I.F. Value by C.E.-per Kg-in INR (Approx.)	Total Suggestive C.I.F. Value by C.E. (in INR)
1	Stainless Steel Kitchen Sink 4540 HM	2672	KGs	138	368736/-
2	Stainless Steel Kitchen Sink 5043 HM	1578	KGs	138	217764/-
3	Stainless Steel Kitchen Sink 5345 HM	215	KGs	138	29670/-
4	Stainless Steel Kitchen Sink 5545 HM	1474	KGs	138	203412/-
5	Stainless Steel Kitchen Sink 6045 HM	19853	KGs	138	2739714/-
6	Stainless Steel Kitchen Sink 8245 HM	597	KGs	138	82386/-
7	Stainless Steel Kitchen Sink 9445 HM	265	KGs	138	36570/-
8	Metal Accessories Pipe Bucket	232	KGs	138	32016/-
9	Metal Accessories Faucet Accessories	34	KGs	138	4692/-
Total		26920			37,14,960/-

5.3 As per inspection report valuation opinion of Govt Approved Emplaned Chartered Engineer provided vide Ref: - CUS/617/25-26 dated 12.12.2025, it appears that goods imported vide Bill of Entry No. 3207167 dated 11.07.2025 filed by M/s KDK Overseas, Plot No.4, Dharma Gold Industrial Estate, Lalpar Revenue Survey No. 39 P1 and 39 P2, Lalpar, Morbi, Gujarat-363642 has been under-valued. The CE re-determined the value of the goods as Rs. 37,14,960/- instead of declared value of Rs. 16,23,906/-.

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

6.1 Based on the foregoing paragraphs, it is evident that the importer has attempted to evade payment of duties and taxes by mis-declaring, Mis-classifying and undervaluing the imported goods. The duty liability for the goods found during examination is ascertained as under:

**TABLE-V**

Sr No	Item	Total Quantity (Kgs)	Total Suggestive Average C.I.F. value by C.E.-per KG (in INR)	Total Suggestive C.I.F. Value by C.E. (in INR)	BCD @ 10%	SWS @ 10% of BCD	IGST @ 18%	Total Duty (in INR)
1	Stainless Steel Kitchen Sink 4540 HM	2672	138	368736/-	36874	3687	73673	114234
2	Stainless Steel Kitchen Sink 5043 HM	1578	138	217764/-	21776	2178	43509	67463
3	Stainless Steel Kitchen Sink 5345 HM	215	138	29670/-	2967	297	5928	9192
4	Stainless Steel Kitchen Sink 5545 HM	1474	138	203412/-	20341	2034	40642	63017

5	Stainless Steel Kitchen Sink 6045 HM	19853	138	2739714 /-	273971	27397	547395	848763
6	Stainless Steel Kitchen Sink 8245 HM	597	138	82386/-	8239	824	16461	25523
7	Stainless Steel Kitchen Sink 9445 HM	265	138	36570/-	3657	366	7307	11329
8	Metal Accessories Pipe Bucket	232	138	32016/-	3202	320	6397	9919
9	Metal Accessories Faucet Accessories	34	138	4692/-	469	47	937	1454
				37,14,96 0/-	3,71,496 /-	37150 /-	742249 /-	11,50,89 5/-

From the Table V above, it appears that the total duty liability of the importer is Rs. 11,50,895/- (Rupees Eleven Lakh Fifty Thousand Eight Hundred Ninety-Five Only).

6.2 The importer in the BE no. 3207167 dated 11.07.2025, has declared the value of the goods as Rs. 16,23,906/- 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. 6,08,086/-.

6.3 Based on the calculations from Table VI, the importer is required to pay/levy a differential liability of Rs. 5,42,809/- (Rupees Five Lakh Forty-Two Thousand Eight Hundred Nine 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 mis-declaration and non-declaration of goods if the goods were released for Home Consumption by adjudicating authority.

## **7. Legal Provisions:**

7.1 **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;

7.2 **SECTION 46** of the Act, 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.

7.3 Further, Section 111 of the Act, prescribes the Confiscation of improperly imported goods, etc. as under

The following goods brought from a place outside India shall be liable for confiscation:

(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;

(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.

7.4 Further, Section 112 of the Act provides the 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,-

- (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:

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.

7.5. **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.

7.6 **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.

7.7 **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.

#### 7.8 **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.

#### **8. OUTCOME OF THE INVESTIGATION:**

8.1 As discussed in foregoing paras, it appears that the goods imported and covered under Bill of Entry No. 3207167 dated 11.07.2025 have been mis-declared in terms of description and valuation by the said importer.

8.2 The goods were examined by the Officers of SIIB, Mundra under Panchnama dated 17.10.2025 at the premises of M/s All Cargo Logistics Ltd. Adani Port & SEZ, Mundra in the presence of Shri Shubham Kumar Yadav H Card Holder of CB Firm M/s Freight Link Logistics and Ashok Kumar Giri representative of M/s All Cargo Logistics Ltd. The Seal of container was already cut by Docks Officer for examination. On perusal, it was found that container was de-stuffed in front of Warehouse No. 1. The weighment slip was cross checked and the details are as below as per table-II:

#### **TABLE-II**

Sr. No.	Bill of Entry No. & Date	Container No.	BL Weight (KGs)	CFS Weight (KGs)
1	3207167 dated 11.07.2025	TEMU6701770	27470	27080

Further, the goods were examined by the SIIB officers. The goods were packed in 04 different types of packing and same was placed in open area as one upon the other. Prima facie the goods appear as the goods are Stainless Steel Kitchen Sink with accessories of 02 size. The quantity of the goods and package was found as declared in Bill of Entry. The details of the goods found on examination is as below as per Table-III:

**TABLE-III**

Sr. No.	Description of Goods	Quantity/Weight declared in BE	Quantity/Weight Found on Examination
1	Stainless Steel Kitchen Sink 4540 HM	2672	2672
2	Stainless Steel Kitchen Sink 5043 HM	1578	1578
3	Stainless Steel Kitchen Sink 5345 HM	215	215
4	Stainless Steel Kitchen Sink 5545 HM	1474	1474
5	Stainless Steel Kitchen Sink 6045 HM	19853	19853
6	Stainless Steel Kitchen Sink 8245 HM	597	597
7	Stainless Steel Kitchen Sink 9445 HM	265	265
8	Metal Accessories Pipe Bucket	232	232
9	Metal Accessories Faucet Accessories	34	34

Total	26920	26920
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During the course of examination, the goods declared in the said BE was found mis-declared in terms of description. The goods found as Stainless Steel Kitchen Sink with accessories of 02 size. However, the quantity was found as declared in Bill of Entry. Prima Facie it appears that the said goods fall under the purview of BIS as per IS 13983:1994. Further, the goods appear highly undervalued. The unit assessable value of first item declared @0.4375/Kg which comes to Rs. 38.35. the same appears very low for the goods made of stainless steel.

Accordingly, the goods were seized vide Seizure Memo dated 30.07.2025 and handed over to the concerned CFS vide Supratnama dated 30.07.2025.

8.3 The importer has declared the goods as Metal Utility Bowl with all accessories of different sizes and classified the goods under CTH 73241000. However, the goods were found as Stainless Steel Kitchen Sink with accessories of different size.

As per description of the goods i.e Stainless Steel Kitchen Sink with accessories it appears that the declared CTH is correct. The relevant extract of CTH 7324 is as below:

7324 SANITARY WARE AND PARTS THEREOF, OF IRON OR STEEL

7324 10 00- Sinks and wash basins, of stainless steel

-Baths:

7324 21 00--Of cast iron, whether or not enamelled

7324 29 00 -- Other

7324 00 - Other, including parts

8.4 As per inspection report valuation opinion of Govt. Approved Emplaned Chartered Engineer provided vide Ref: - CUS/617/25-26 dated 12.12.2025, it appears that goods imported vide Bill of Entry No. 3207167 dated 11.07.2025 filed by M/s KDK Overseas, Plot No.4, Dharma Gold Industrial Estate, Lalpar Revenue Survey No. 39 P1 and 39 P2, Lalpar, Morbi, Gujarat-363642 has been under-valued. The CE re-determined the value of the goods as Rs. 37,14,960/- instead of declared value of Rs. 16,23,906/-.

8.5 From the Table V above, it appears that the total duty liability of the importer is Rs. 11,50,895/- (Rupees Eleven Lakh Fifty Thousand Eight Hundred Ninety-Five Only). The importer in the BE no. 3207167 dated 11.07.2025, has declared the value of the goods as Rs. 16,23,906/- 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. 6,08,086/-. Based on the calculations from Table VI, the importer is required to pay/levy a differential liability of Rs. 5,42,809/- (Rupees Five Lakh Forty-Two Thousand Eight Hundred Nine 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 mis-declaration and non-declaration of goods if the goods were released for Home Consumption by adjudicating authority.

8.6 The imported goods i.e. Stainless Steel Kitchen Sink with accessories found during the examination were falls under the compulsory registration with BIS as per IS No. 13983:1994. However, later DPIIT vide its order dated 22.08.2025 has supersede the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2024 and extended the applicability of BIS by 01.10.2025 vide Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025. So, from the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025 it clearly appears that the said order is not applicable on the goods of current consignment. Further, explanation was also sought from DPIIT via mail and they submitted that QCO was not applicable on the said products in the intervening period.

8.7 Further, it is also found that the goods found undervalued imported vide Bill of Entry No. 3207167 dated 11.07.2025 having re-determined valued at total Rs. 37,14,960/-. In view of the above, it appears that the said goods are liable for confiscation under the provisions of Section 111(m) of the Customs Act, 1962 and thus has also rendered themselves liable for penal action under Section 112(a)(ii) of the Customs Act, 1962.

## **9. WAIVER OF SHOW CAUSE NOTICE AND PERSONAL HEARING: -**

The importer vide letter dated 07.01.2025 has submitted that they are agreed with the valuation opined by the Chartered Engineer in his report and they do not want any SCN and PH in the matter. In addition to that, importer has given reference to several case laws in support of the fact that re-determination of the

value can not be equated with mis-declaration, as the two operate on distinct legal spheres. Accordingly, the re-determination of value in the present case cannot be construed as mis-declaration attracting penalties under the Customs Act, 1962.

**10. Discussion and Findings:**

I have carefully gone through the records of the case, investigation report dated 24.12.2025, Valuation report by empanelled Chartered Engineer and the applicable provisions of law. The importer, M/s. KDK Overseas, vide letter dated 07.01.2026 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 description of the goods mentioned of the Bill of Entry No. 3207167 dated 11.07.2025 is liable to be rejected and same needs to be re determined as per above discussion in Table-III.
- (ii) Whether the declared value of the goods imported under Bill of Entry No. 3207167 dated 11.07.2025, i.e. Rs. 16,23,906 /- (Rupees Sixteen Lakh Twenty Three Thousand Nine Hundred Six) is liable to be rejected, under Rule 12 of the CVR, 2007 and required to be re-determined as Rs. 37,14,960/- in terms of Rule 9 of CVR, 2007.
- (iii) Whether the self-assessment done by the importer is liable to be rejected and the Bill of Entry No. 3207167 dated 11.07.2025 needs to be re-assessed with the differential duty of Rs. 5,42,809/- under Section 17(4) of the Customs Act, 1962.
- (iv) Whether the imported goods imported under Bill of Entry No. 3207167 dated 11.07.2025 found on examination having determined value of Rs. 37,14,960/- is liable for confiscation under Section 111(m) of the Customs Act, 1962.
- (v) Whether Penalty under Section 112 (a)(ii) of the Customs Act, 1962 is imposable upon the importer.

**11.** Regarding the first issue, I find that goods were declared as "Metal Utility Bowl, Metal Accessories pipe Bucket and Metal Accessories Faucet Accessories. During the examination, it is found the declared goods as :Metal

Utility Bowl” were actually “Stainless Steel Kitchen Sink” as mentioned in the Table-III. In view of the above, the declared description of the goods mentioned in the Bill of Entry no. 3207167 dated 11.07.2025 is liable to be rejected and the same needs to be re-determined as per above discussion and Table-III.

**12.** Regarding the second issue, I find that M/s KDK Overseas, vide Bill of Entry No. 3207167 dated 11.07.2025, attempted to clear goods i.e. Stainless Steel Kitchen Sink (declared as Metal utility bowl), Metal Accessories pipe Basket and Metal accessories faucet accessories. Further, I find that inconsistency observed in filing of the Bill of Entry suggests deliberate undervaluation of the goods. 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.

13. 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.

14. 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. Cus/617/2025-26 dated 12.12.2025 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. 37,14,960/- (Rs. Thirty Seven Lakh Fourteen

Thousand Nine Hundred Sixty only) in contrast to the declared assessable value as Rs. 16,23,906/-. In view of above, the declared value of the goods, i.e. Rs. 16,23,906/-, is liable to be rejected and the same needs to be re-determined as Rs. 37,14,960/- as mentioned above in Table-IV.

15. Regarding the Third 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. 5,42,809/- 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-declared 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. 37,14,960/- in contrast to the declared assessable value as Rs. 16,23,906/-, resulting in the duty difference of Rs. 5,42,809/-. 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 fourth issue, I find that the importer has undervalued the goods. The imported goods i.e. Stainless Steel Kitchen Sink with accessories found during the examination were falls under the compulsory registration with BIS as per IS No. 13983:1994. However, later DPIIT vide its order dated 21.08.2025 has supersede the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2024 and extended the applicability of BIS by 01.10.2025 vide Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025. So, vide the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025, it clearly appears that the said order is not applicable on the goods of current consignment. Further, explanation was also sought from DPIIT via mail and they submitted that QCO was not applicable on the said products in the intervening period. Therefore, importer's acts of undervaluation of the goods, rendered the goods undervalued, with a re-determined assessable value of INR 37,14,960/- under Bill of Entry No. 3207167 dated 11.07.2025, liable for confiscation under Section 111(m) of the Customs Act, 1962.

17. Regarding the fifth issue, the importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. I find that From the above discussion, it appears that the importer has intentionally undervalued the goods to evade Customs Duty, which leads to confiscation of dutiable goods u/s 111(m) of the Customs Act, 1962 and the importer has rendered

themselves liable for penalty under Section 112(a)(ii) of the Customs Act, 1962.

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

### ORDER

(i) I order to reject the description of the goods of the Bill of Entry No. 3207167 dated 11.07.2025 and order to re-determine the same as per table-III.

(ii) I order to reject the declared total assessable value of goods as Rs. 16,23,906/-, of the Bill of Entry No. 3207167 dated 11.07.2025 and order to re-determine the value of the goods as Rs. 37,14,960/-.

(iii) I Order to re-assess the Bill of Entry 3207167 dated 11.07.2025 with differential duty of Rs. 5,42,809/- under section 17(4) of the customs Act, 1962.

(iv) I order to confiscate the imported goods of re-determined assessable value 37,14,960/- under Section 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 on payment of redemption fine of **Rs. 3,50,000/- (Rupees Three Lakh Fifty Thousand only)**.

(v) I impose a penalty of **Rs. 50,000/- (Rupees Fifty Thousand only)** on M/s. KDK Overseas u/s. 112 (a)(ii) of the Customs Act, 1962.

19. 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. KDK Overseas, (IEC: AAZFK6954A)  
Plot No.4, Dharma Gold Industrial Estate,  
Lalpar Revenue Survey No. 39 P1 and 39 P2,  
Lalpar, Morbi, Gujarat 363642,**

Copy to:-

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