

		<p>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOM HOUSE: MUNDRA, KUTCH MUNDRA PORT & SPL ECONOMIC ZONE, MUNDRA-370421 ई-मेल/ E-Mail: group5-mundra@gov.in</p>
A	फा /सं. FILE NO.	CUS/APR/BE/MISC/251/2026-Gr 5-6-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ADC/ZDC/665/2025-26
C	द्वारा पारित किया गया PASSED BY	Dipak Zala, Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	20-02-2026
E	जारी करने की तिथि DATE OF ISSUE	20-02-2026
F	कारण बताओ नोटिस सं एवं तिथि . SCN NO. & DATE	Importer requested for SCN & PH Waiver
G	नोटिसीपार्टी / आयातक/ NOTICEE/PARTY/ IMPORTER	M/s. MD ENTERPRISES (IEC No. DKDPR2278R) PLOT NO-2 GROUND FLOOR KH-668 BLK-C, SHUKAR BAZAR ROAD PARTAP VIHAR PH-2, DELHI-110041
H	दिन DIN	20260271MO000071717F

- यह अपील आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।
This Order - in - Original is granted to the concerned free of charge.
- यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 129A(1) के अंतर्गत प्रपत्र सीए3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-
Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:
"सीमा शुल्क आयुक्त) अपील(, चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद 380009"
"The Commissioner of Customs (Appeals), Mundra, 4TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009."
- उक्त अपील यह आदेश भेजने की दिनांक से तीन माह के भीतर दाखिल की जानी चाहिए।
Appeal shall be filed within three months from the date of communication of this order.
- 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 accompanied by -
- उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं^o-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।
The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paise only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.
- अपील ज्ञापन के साथ ड्यूटी/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of

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

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

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

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

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

BRIEF FACTS OF THE CASE

M/s. MD ENTERPRISES (IEC: DKDPR2278R) (hereinafter referred to as 'the importer' for the sake of brevity) having address at PLOT NO-2 GROUND FLOOR KH-668 BLK-C, SHUKAR BAZAR ROAD PARTAP VIHAR PH-2, DELHI-110041, had filed Bill of Entry No. 6764616 (Z Type) dtd. 08.01.2026 for import of the following declared goods weighing 28790 Kgs, (G.Wt.), through Container No. HLHU6410082:

Table-A

Exchange Rate: 1 USD = 90.8 INR

S NO.	CTH	DESCRIPTION	QUANTITY	UQC
1	85299090	SPARE PARTS FOR GENERATOR (GASKET KIT) (MIX ASSORTED SIZE & MODELS) (QTY 2778.00 SET)	350.000000	KGS
2	85359090	WIRE WITH CONNECTOR HDMI/2RC/ST-3RC/VGA/CAT5/USB (FOR COMPUTER) (MIX ASSORTED LENGTH & MODELS)	8500.000000	PCS
3	85369090	MALE/FEMALE CONNECTOR CONVERSION SOCKET/USB/RJ45 & JOINTER (MIX ASSORTED MODELS)	28896.040000	DOZ
4	85189000	WOOFER SPEAKER FOR MULTIMEDIA SPEAKER SYSTEMS (MIX ASSORTED SIZE & MODELS)	950.000000	PCS
5	85189000	AMPLIFIER (FOR SPEAKER) MIX MODELS	13.000000	PCS
6	85181000	WIRED MIC (UNBRANDED ITEM) (MIX ASSORTED MODELS)	125.200000	DOZ
7	85177910	PCB FOR MUSIC SYSTEM (MIX ASSORTED MODELS)	22.190000	GRS
8	90069900	SPARE PARTS FOR CAMERA (LENS COVER) (QTY 74.73 DOZ)	261.000000	KGS
9	85044090	LED POWER SUPPLY (BIS NO R-41216309) (QTY 196.25 DOZ)	664.000000	KGS
10	85044090	MINI LED STRIP 5M (BIS NO R - 41253588)	3594.550000	DOZ
11	94059900	LED CONTROLLER (MIX ASSORTED MODELS)	521.690000	DOZ
12	85068090	ELE. GOODS DRY BATTERY (NON RECHARGEABLE) AA 1.5V (SIZE:R03)(BIS NO. R-41203319)	30000.000000	DOZ
13	85185000	MINI TACK PUSH SWITCH 0.5 AMP	1180.480000	GRS

		(AUDIO PART) (MIX ASSORTED MODELS)		
14	85359090	CABLE COVER CUBY(MIX ASSORTED MODELS) (QTY 2.00 PCS)	2.000000	KGS
15	85369090	SMALL AV/RF CONVERTOR FOR DVB (MIX ASSORTED MODELS)	334.000000	DOZ
16	85369090	SPARE PARTS FOR SMALL AV/RF CONVERTOR (MAIN BOARD) (QTY 60.00 PCS)	6.000000	KGS
17	85334010	PRESET (POTENTIOMETER) WH06	752.000000	THD
18	85177910	ANALOG WATCH (MIX ASSORTED MODLES)	3.480000	GRS
19	91011900	CHILDREN LED WATCH (MIX ASSORTED MODELS)	4.180000	GRS
20	91149091	SPARE PARTS FOR WRIST WATCH (STRAP,MOVMENT,ONLY CASE,PU BOX)(QTY 1761.06 GRS)	1469.000000	KGS
21	94054900	LED MODULE	156.000000	THD
22	42022290	PU POLY BAG (MIX ASSORTED MODELS) (QTY 1041.60 GRS)	350.000000	KGS

2. On the basis of NCTC Alert received for the subject consignment, container no. HLHU6410082 was put on hold by SIIB, Custom House, Mundra for 100% examination. Subject consignment was examined by SIIB, Custom House, Mundra at M/s. Fast Track CFS Private Limited, CFS Mundra on 16.01.2026 in the presence of Shudir Gajanan Patil, Manager, M/s Fast Track CFS Private Limited, CFS Mundra and Shri Gadhavi Vipul Meghraj, Authorised Representative of the Importer. Shri Gadhavi Vipul Meghraj provided relevant import documents. As per Weighment Slip, Net Weight of the Cargo on Weighment Slip is 26550 Kg Cargo Gross Weight in BE shows 28790 Kgs.

2.1. Seal of the Container No. HLHU6410082 was already cut. However, the goods were stuffed in the container itself. Goods were 100% destuffed from the containers. After destuffing of goods in the SEZ unit, the corrugated boxes were opened on random selection basis and goods were examined. During Examinations goods were found as below :-

Table-B

S NO.	DESCRIPTION	Boxes	Quantity	UQC	Remarks
1	SPARE PARTS FOR GENERATOR (GASKET KIT)	35	510	KGS	Excess Qty. Found
2	WIRE WITH CONNECTOR	17	8500	PCS	
3	MALE/FEMALE CONNECTOR	88	28896	DOZ	
4	WOOFER SPEAKER FOR MULTIMEDIA SPEAKER SYSTEMS (PARTS)	325	950	PCS	
5	AMPLIFIER (FOR SPEAKER)	NIL	NIL	NIL	Not Found
6	Wired MIC	60	1500	PCS	Excess Qty.

					Found
7	PCB FOR MUSIC SYSTEM	3	22.19	GRS	
8	SPARE PARTS FOR CAMERA	NIL	NIL	NIL	Not found
9	LED POWER SUPPLY (BIS NO R-41216309)	61	710	KGS	Total 2355 Pieces is found
10	MINI LED STRIP 5M (BIS NO R - 41253588)	272	4500	DOZ	Excess Qty. Found
11	LED CONTROLLER	7	521.69	DOZ	
12	ELE. GOODS DRY BATTERY (NON RECHARGEABLE) AA 1.5V	381	30000	DOZ	
13	MINI TACK PUSH SWITCH 0.5 AMP(AUDIO PART)	34	1180.48	GRS	
14	CABLE COVER CUBY	1	2	KGS	
15	SMALL AV/RF CONVERTOR FOR DVB	200	334	DOZ	
16	SPARE PARTS FOR SMALL AV/RF CONVERTOR	1	6	KGS	
17	PRESET (POTENTIOMETER) WH06	NIL	NIL	NIL	Not Found
18	ANALOG WATCH (MIX ASSORTED MODLES)	1	500	PCS	
19	CHILDREN LED WATCH	NIL	NIL	NIL	Not Found
20	SPARE PARTS FOR WRIST WATCH (STRAP,MOVMENT,ONLY CASE,PU BOX)	118	1730	KGS	Excess Qty. Found
21	LED MODULE	39	156	THD	Excess Qty. Found
22	PU POLY BAG	12	350	KGS	Excess Qty. Found

3. On the basis of examination, it is found that goods at Sr. No. 5, 8, 17 and 19 were not found during the examination. Further goods at item Sr. No. 1,6,9,10,20,21 & 22 were found excess in what declared in the bill of entry.

4. Rejection of transaction value of the imported goods and determination of the value of the import goods

4.1. Since during examination, certain items, as detailed in Table-B above, have been found to be misdeclared in terms of quantity, there appears to be reason to doubt the truth or accuracy of the value declared in relation to the impugned imported goods. Therefore, the declared assessable value of the goods cannot be considered as transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (CVR, 2007) and thus, the same is liable to be rejected in terms of Rule 12 of CVR, 2007. Since the value of goods declared by importer in the subject Bill of Entry did not appear to be the true transaction value under the provisions of Section 14 of the

Customs Act, 1962 read with the provisions of the CVR, 2007 and thus, the same is liable to be rejected in terms of Rule 12 of CVR, 2007.

4.2. As per Rule 3(4) of CVR, 2007, if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9. The subject consignment comprises unbranded items of China origin and in absence of credible data of import of similar/identical goods due to upper quality of goods and other constraints, the value of these goods cannot be determined under Rule 4 to 8 of CVR, 2007. Hence, the value is to be determined under Rule 9 (Residual method) of CVR, 2007 which is reproduced as under:

“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 ofⁿ 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.”*

4.3. Therefore, opinion of the Empanelled Chartered Engineer Ajayrajsinh Baldevsinh Jhala, was sought for valuation purpose. The Chartered Engineer vide CE Opinion Certificate Ref:- ABJ:INSP:CE:MUN:SIIB:SAB:MD:25-26:08 dated 05.02.2026 has provided the valuation of the declared goods as detailed below:

Table-C

(Valuation Table by CE)

(1 USD = 90.80 INR)

S NO.	DESCRIPTION	Boxes	Quantity	UQC	Remarks	PER UNIT DECLARED C.I.F. VALUE IN USD	Suggestive Per Unit C.I.F. Value in USD (Approx.)	Suggestive Total C.I.F. Value in USD (Approx.)
1	SPARE PARTS FOR GENERATOR (GASKET KIT)	35	510	KGS		0.5	1	510
2	WIRE WITH CONNECTOR	17	8500	PCS		0.025	0.1	850
3	MALE/FEMALE CONNECTOR	88	28896	DOZ		0.1	0.13	3756.48
	WOOFER SPEAKER FOR							

Item Sr. No. in the BE	CTH	Description of Goods	Assessable Value as per CE Report (in Rs.)	BCD (in Rs.)	SWS (in Rs.)	IGST (in Rs.)	Duty (in Rs.)
1	85299090	SPARE PARTS FOR GENERATOR (GASKET KIT)	46308	6946	695	9711	17352
2	85359090	WIRE WITH CONNECTOR	77180	5789	579	15039	21406
3	85369090	MALE/FEMALE CONNECTOR	341088	0	0	61396	61396
4	85189000	WOOFER SPEAKER FOR MULTIMEDIA SPEAKER SYSTEMS (PARTS)	258780	38817	3882	54266	96965
5	85181000	Wired MIC	81720	12258	1226	17137	30620
6	85177910	PCB FOR MUSIC SYSTEM	1813	363	36	398	797
7	85044090	LED POWER SUPPLY (BIS NO R-41216309)	64468	12894	1289	14157	28340
8	85044090	MINI LED STRIP 5M (BIS NO R-41253588)	183870	36774	3677	40378	80829
9	94059900	LED CONTROLLER	23685	4737	474	5201	10412
10	85068090	ELE. GOODS DRY BATTERY (NON RECHARGEABLE) AA 1.5V	217920	32688	3269	45698	81655
11	85185000	MINI TACK PUSH SWITCH 0.5 AMP(AUDIO PART)	96469	9647	965	19274	29886
12	85359090	CABLE COVER CUBY	363	27	3	71	101
13	85369090	SMALL AV/RF CONVERTOR FOR DVB	48524	4852	485	9695	15033
14	85369090	SPARE PARTS FOR SMALL AV/RF CONVERTOR	1090	109	11	218	338
15	85177910	ANALOG WATCH (MIX ASSORTED MODLES)	4767	953	95	1047	2096
16	91149091	SPARE PARTS FOR WRIST WATCH (STRAP,MOVMENT,ONLY CASE,PU BOX)	125667	12567	1257	25108	38932
17	94054900	LED MODULE	56659	11332	1133	12442	24907
18	42022290	PU POLY BAG	28602	4290	429	5998	10717
TOTAL				1658973			551780

In view of the above, it is found that the Total Suggestive assessable value of the imported goods is Rs. 16,58,973/- instead of declared assessable value of 14,41,749/- at the exchange rate of 1 USD=90.80 INR. Hence, there is difference of Rs. 2,17,224/- between the re-determined assessable value and the declared assessable value.

6.2 In view of the foregoing paras and investigation conducted in the matter, it is noticed that the impugned goods have been mis-declared by the importer in terms of quantity, description, classification and valuation. Therefore, it appears that the importer has contravened the provisions of Section 17 and Section 46 of the Customs Act, 1962 in

as much as they have failed to make correct and true declaration/information in the subject Bill of Entry. These acts of omission and commission on the part of importer has made the impugned goods having re-determined assessable value of Rs. 16,58,973/- liable for confiscation under Section 111 (l) and 111 (m) of the Customs Act, 1962 and hence, rendered the importer liable for penal action under Section 112(a)(ii) of the said Act. Furthermore, it appears that by mis-declaring the value of the subject goods under import, the importer has also short declared the duty amounting to Rs. 1,43,732/-.

6.3 Further, in terms of Section 46(4) of the Customs Act, 1962, the importer is required to make a declaration as to the truth of the contents of the Bill of Entry submitted for assessment of Customs duty. In the present case, it appears that the importer has tried to clear the goods by way of mis-declaration and undervaluation in order to avoid duty on higher assessable value. Hence, it appears that the importer had knowingly involved themselves in the suppression of the material facts and also indulged in mis-statement of facts. These acts of omission and commission on part of the importer have rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

7. RELEVANT LEGAL PROVISIONS:

(A) RELEVANT PROVISIONS OF THE SEZ ACT, 2005 AND RULES MADE THEREUNDER:

SEZ ACT, 2005

Section 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

SEZ RULES, 2006

Rule 47(5). *Refund, Demand, Adjudication, Review and Appeal with regard to matters relating to authorised 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, the Central Excise Act, 1944, and the Finance Act, 1994 and the rules made there under or the notifications issued there under.*

NOTIFICATION NO. 2665(E) AND 2667(E) DATED 05.08.2016

S.O. 2665(E). *— In exercise of the powers conferred by sub-section (1) of section 21 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government hereby, notifies the offences contained in the under-mentioned sections of the Customs Act, 1962 (52 of 1962), the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) as offences under the Act:-*

<i>The Customs Act, 1962</i>	
1.	<i>Section 28, 28AA and 28AAA</i>
2.	<i>Section 74 and 75</i>
3.	<i>Section 111</i>
4.	<i>Section 113</i>
5.	<i>Section 115</i>
6.	<i>Section 124</i>
7.	<i>Section 135</i>
8.	<i>Section 104</i>

.....

.....

S.O. 2667(E). *— In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government authorises the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) and Commissioner of Central Excise in respect of offences under the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) and notified under the Act, for the reasons to be recorded in writing, to carry out the investigation, inspection, search or seizure in a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned.*

(B) RELEVANT PROVISIONS OF THE CUSTOMS ACT, 1962:

Section 2. Definitions-

In this Act, unless the context otherwise requires,

(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;

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

(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;

(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;

(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. Definitions-

In this Act, unless the context otherwise requires,

(a) "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. -

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

....

(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, and other such documents relating to the imported goods as may be prescribed.

(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:-

.....

(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;

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.
- 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:

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.

Section 125: Option to pay fine in lieu of confiscation.

(i) 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:

8. Summary of Investigation Conducted:

8.1. The importer M/s.MD ENTERPRISES (IEC: DKDPR2278R) had filed Bill of Entry No. 6764616 dtd. 08.01.2026 at Mundra Port for import of goods declared as Mix items as

listed in the Bill of Entry having declared assessable value of Rs. 14,41,749/- and declared duty of Rs. 4,08,048/-. The goods were examined by the officers of SIIB and found that the some items were found mis-declared in terms of quantity/ declaration and some items were also found which were not declared in the Bill of Entry by the importer. Further, the assessable value of the subject consignment has been re-determined as Rs.16,58,973/-on the basis of CE Opinion Certificate dated 05.02.2026 in view of Rule 9 of the CVR, 2007, on which applicable duty comes to Rs. 5,51,780/- as detailed in Table-D above resulting in differential duty of Rs. 1,43,732/-.

8.2. The importer has thus contravened Section 17 and Section 46 of the Customs Act, 1962 and the CVR, 2007 in as much as they failed to make correct declarations in the subject Bill of Entry filed by them and correctly assess their duty liability. It further appears that the importer has tried to clear the goods by way of mis-declaration/ undervaluation in order to avoid duty on higher assessable value. Hence, it appears that the importer had knowingly involved themselves in the suppression of the material facts and also indulged in mis-statement of facts. These acts of omission and commission on the part of importer has made the subject goods having re-determined assessable value of Rs. 16,58,973/- liable for confiscation under Section 111(l) and 111 (m) of the Custom Act, 1962 and rendered the importer liable for penal action under Section 112(a) (ii) and 114 AA of the said Act.

9. The importer M/s.MD ENTERPRISES vide their email dated 06.02.2026 has accepted the observation of mis-declaration and submitted that they are ready to pay the differential duty along with applicable penalty. Further, the importer vide above email has accepted the valuation report submitted by the CE and submitted that they don't want any Show Cause Notice and Personal Hearing in the matter.

PERSONAL HEARING AND SUBMISSIONS

10. The importer M/s. M D Enterprises vide their letter dated 17.02.2026 submitted the following:

"Refer to B/E no. 1) 6764616 Dt: 08.01.2026 & 2) 6812059 Dt: 10.01.2026, in this connection we do not want Show Cause Notice & Personal hearing, kindly waive the same and finalize the matter.

Kindly do the needful."

DISCUSSION AND FINDINGS

11. I have carefully gone through the records of the case and Investigation Report No. 268/2025-26 dated 14.02.2026. The importer vide letter dated 17.02.2026 has requested for waiver of Show Cause Notice and personal hearing in the matter. Thus, I find that the principles of natural justice as provided under Section 122A of the Customs Act, 1962 have been complied with and I proceed to decide the case on the basis of documentary evidence available on record. The main issues to be decided are:

(i) Whether the declared assessable value of **Rs. 14,41,749/-** for the goods under Z-Bill of Entry No. 6764616 dated 08.01.2026 is liable to be rejected under Rule 12 of CVR, 2007 and re-determined as **Rs. 16,58,973/-** in terms of Rule 9 of CVR, 2007;

(ii) Whether the self-assessment done by the importer is liable to be rejected and the Bill of Entry No. 6764616 dated 08.01.2026 needs to be re-assessed under **Section 17(4)** of the Customs Act, 1962 to levy the re-determined duty;

(iii) Whether the goods are liable for confiscation under **Section 111(l)** and **Section 111(m)** of the Customs Act, 1962;

(iv) Whether penalties under **Section 112(a)(ii)** and **Section 114AA** of the Customs Act, 1962 are imposable on the importer M/s. MD ENTERPRISES.

12.1 Regarding the first issue, I find that the importer has imported goods declared as various items as mentioned in Table - A, supra with declared assessable value of **Rs. 14,41,749/-** vide Bill of Entry No. 6764616 dated 08.01.2026. However, on physical examination conducted on 16.01.2026, it was found that certain items were found in excess quantities and four items namely AMPLIFIER (FOR SPEAKER), SPARE PARTS FOR CAMERA, PRESET (POTENTIOMETER) WH06, and CHILDREN LED WATCH were not found at all in the consignment.

12.2 I find that during examination, several items were found in excess quantities than declared, namely SPARE PARTS FOR GENERATOR (510 KGS vs 350 KGS), Wired MIC (1500 PCS vs 125.2 DOZ), LED POWER SUPPLY (710 KGS vs 664 KGS), MINI LED STRIP (4500 DOZ vs 3594.55 DOZ), SPARE PARTS FOR WRIST WATCH (1730 KGS vs 1469 KGS), LED MODULE (156 THD), and PU POLY BAG (350 KGS). The declared items AMPLIFIER (FOR SPEAKER), SPARE PARTS FOR CAMERA, PRESET (POTENTIOMETER) WH06, and CHILDREN LED WATCH were completely absent from the consignment. This clearly establishes that there was mis-declaration of both description and quantity of goods.

12.3 I find that since the goods found on examination differ significantly from the declared goods in terms of description, quantity and nature, the declared value cannot be accepted as the true transaction value. The value declared by the importer does not appear to be the true transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

12.4 I find that as per Rule 12 of CVR, 2007, when the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, and after receiving further information or in the absence of a response, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such imported goods cannot be determined under the provisions of sub-rule (1) of rule 3. In the present case, the significant discrepancies found during examination give sufficient reason to doubt the declared value.

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

12.6 I find that accordingly, the value is to be determined under Rule 9 (Residual method) of CVR, 2007. The empanelled Chartered Engineer Er. Ajayrajsinh B. Jhala was engaged for valuation purposes and vide CE Opinion Certificate Ref:- ABJ:INSP:CE:MUN:SIIB:SAB:MD:25-26:08 dated 05.02.2026, has provided the valuation of the goods. The Chartered Engineer, based on random physical and visual examination of the goods and their present condition and quality, has determined that the suggestive CIF value of the goods is **Rs. 16,58,973/-**. The importer vide their email

dated 06.02.2026 has accepted the Chartered Engineer's valuation report.

12.7 I find that the declared assessable value was **Rs. 14,41,749/-**, whereas the re-determined assessable value as per the Chartered Engineer's report is **Rs. 16,58,973/-**, showing an undervaluation of Rs. 2,17,224/-. This significant undervaluation, coupled with mis-declaration of description and quantity, clearly establishes that the declared value is not acceptable.

12.8 In view of the above, I hold that the declared assessable value of **Rs. 14,41,749/-** is liable to be rejected under Rule 12 of CVR, 2007 and the value is re-determined at Rs. **16,58,973/-** in terms of Rule 9 of CVR, 2007 based on the Chartered Engineer's valuation report dated 05.02.2026.

13.1 Regarding the second issue, I find that Section 17(4) of the Customs Act, 1962 provides that "where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods." In the present case, I find that the self-assessment is incorrect and incomplete as it is based on wrong description, incorrect quantity, and undervalued goods. The declared value has been rejected and re-determined as Rs. 16,58,973/- as discussed above. The duty liability needs to be re-calculated based on the re-determined assessable value.

13.2 I find that as per the re-determined assessable value of Rs. 16,58,973/-, the duty liability is as follows:

Item Description	Total Re-determined Value (In Rs.)	Re-determined Duty (In Rs.)	Declared Duty (In Rs.)	Differential Duty (In Rs.)
All Items as per Table-D, supra	16,58,973/-	5,51,780/-	4,08,048/-	1,43,732/-

13.3 Therefore, I hold that the self-assessment done by the importer under Section 17(1) is liable to be rejected and Bill of Entry No. 6764616 dated 08.01.2026 needs to be re-assessed under Section 17(4) of the Customs Act, 1962 and the total re-determined duty liability is Rs. 5,51,780/- as against the declared duty of Rs. 4,08,048/-, resulting in differential duty of **Rs. 1,43,732/-**.

14.1 Regarding the third issue, I find that Section 111(l) of the Customs Act, 1962 provides for confiscation of "*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.*" In the present case, I find that the importer declared specific quantities of various items in the Bill of Entry. However, on examination, several items were found in excess quantities (SPARE PARTS FOR GENERATOR, Wired MIC, LED POWER SUPPLY, MINI LED STRIP, SPARE PARTS FOR WRIST WATCH, LED MODULE, PU POLY BAG) and four items declared as "AMPLIFIER (FOR SPEAKER)", "SPARE PARTS FOR CAMERA", "PRESET (POTENTIOMETER) WH06", and "CHILDREN LED WATCH" were completely absent. The excess quantity found and the non-finding of declared items clearly establishes that there were excess goods which were not included in the entry made under the Act.

14.2 I find that Section 111(m) of the Customs Act, 1962 provides for confiscation of "*any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under Section 77 in*

respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54." In the present case, I find that the goods do not correspond with the entry made in the Bill of Entry in multiple respects i.e. description, quantity and value. I find that the importer has violated Section 46(4) of the Customs Act, 1962 by not making a true declaration as to the contents of the Bill of Entry. Further, the importer has violated Section 46(4A) of the Customs Act, 1962 by not ensuring the accuracy and completeness of the information given in the Bill of Entry. The significant discrepancies in description, quantity, and value clearly establish that the declaration made was false and incorrect.

14.3 I find that the importer's acts of omission and commission have rendered the goods liable to confiscation. The excess quantity, mis-declaration of description, and significant undervaluation collectively establish that the goods do not correspond with the entry made under the Act. Therefore, I hold that the goods imported vide Bill of Entry No. 6764616 dated 08.01.2026 having re-determined assessable value of Rs. 16,58,973/- are liable for confiscation under **Section 111(l)** and **Section 111(m)** of the Customs Act, 1962.

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

15.1 Regarding the fourth issue, I find that Section 112(a)(ii) of the Customs Act, 1962 provides for penalty in the case of dutiable goods, other than prohibited goods, on any person who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111. In the present case, I find that the importer has imported mis-declared and undervalued goods with differential duty liability of Rs. 1,43,732/-. The importer's deliberate acts of declaring wrong description, declaring incorrect quantity, declaring non-existent items and significant undervaluation have rendered the goods liable to confiscation under Section 111(l) and Section 111(m) of the Customs Act, 1962. These acts of omission and commission attract penalty under Section 112(a)(ii) of the Customs Act, 1962.

15.2 I find that Section 114AA provides for penalty for "use of false and incorrect material". In the present case, I find that the importer knowingly suppressed material facts regarding the actual nature and particulars of the goods, including mis-declaring the description, incorrect quantity, declaring non-existent items and significantly undervaluing the goods. The importer declared "AMPLIFIER (FOR SPEAKER)", "SPARE PARTS FOR CAMERA", "PRESET (POTENTIOMETER) WH06" (752 THD), and "CHILDREN LED WATCH" without any such goods being present in the consignment, which are material particulars affecting both duty liability and assessment. Further, the importer concealed the actual quantities of multiple items by declaring lesser quantities, thereby suppressing information about excess goods. This suppression of material facts regarding the description and quantity of goods, declaration of non-existent items, and significant under-valuation of Rs. 2,17,224/- constitutes use of false and incorrect material particulars in documents filed for Customs purposes, thereby attracting penalty under Section 114AA of the Customs Act, 1962.

15.3 Therefore, I find that penalties under Sections **112(a)(ii)** and **114AA** of the Customs Act, 1962 are imposable upon the importer M/s. MD ENTERPRISES.

ORDER

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

(i) I order to reject the declared assessable value of **Rs. 14,41,749/-** in respect of goods covered under SEZ Z-Type Bill of Entry No. 6764616 dated 08.01.2026 under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and order re-determination of assessable value at **Rs. 16,58,973/-** (Rupees Sixteen Lakh Fifty Eight Thousand Nine Hundred Seventy Three Only) in terms of Rule 9 of CVR, 2007;

(ii) I reject the self-assessment of Bill of Entry No. 6764616 dated 08.01.2026 and order to re-assess the same under Section 17(4) of the Customs Act, 1962. The differential duty on the imported goods comes out to **Rs. 1,43,732/-** (Rupees One Lakh Forty Three Thousand Seven Hundred Thirty Two Only);

(iii) I order to confiscate the imported goods covered under Bill of Entry No. 6764616 dated 08.01.2026 having re-determined assessable value of **Rs. 16,58,973/-** (Rupees Sixteen Lakh Fifty Eight Thousand Nine Hundred Seventy Three Only), under **Sections 111(l) and 111(m)** of the Customs Act, 1962. However, I give option to the importer to redeem the said goods for home consumption under **Section 125** of Customs Act, 1962 on payment of Redemption Fine of **Rs. 1,65,000/-** (Rupees One Lakh Sixty Five Thousand Only);

(iv) I impose penalty of **Rs. 14,000/-** (Rupees Fourteen Thousand Only) on the importer M/s. MD ENTERPRISES under **Section 112(a)(ii)** of Customs Act, 1962;

(v) I impose penalty of **Rs. 25,000/-** (Rupees Twenty Five Thousand Only) on the importer M/s. MD ENTERPRISES under **Section 114AA** of Customs Act, 1962.

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

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

To,
M/s. MD ENTERPRISES (IEC No. DKDPR2278R)
PLOT NO-2 GROUND FLOOR KH-668 BLK-C,
SHUKAR BAZAR ROAD PARTAP VIHAR PH-2,
DELHI-110041

Copy to:

1. The Deputy Commissioner, SIIB, Customs House, Mundra
2. The Deputy Commissioner, Review, Customs House, Mundra
3. The Deputy Commissioner, TRC, Custom House, Mundra

4. The Deputy Commissioner, EDI, Customs House, Mundra
5. The Deputy Commissioner, APSEZ, Mundra
6. Guard File