

	<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/MISC/9461/2025-Gr 5-6-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ ADC/ ZDC/472/2025-26
C	द्वारा पारित किया गया PASSED BY	Dipak Zala, Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	31-12-2025
E	जारी करने की तिथि DATE OF ISSUE	31-12-2025
F	कारण बताओ नोटिस संवं तिथि . SCN NO. & DATE	Importer requested for SCH & PH Waiver
G	नोटिसीपार्टी / आयातक/ NOTICEE/PARTY/ IMPORTER	M/s. Kiran Eximtrade Private Limited (IEC No. 0514007541) 4, Vishwas Nagar, Shahdara, Delhi – 110032
H	डिन DIN	20251271MO000000F622

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

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

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

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

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

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

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

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

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5 -/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 -

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

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

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

Whereas, on the basis of specific intelligence, consignment imported vide Bill of Entry No. 4703175 (Z-type) dated 24.09.2025 filed by M/s. Kiran Eximtrade Private Limited (IEC-0514007541) was put on hold as per as per approval of the competent authority vide F. No. CUS/SIIB/INT/610/2025-SIIB-O/o Pr. Commr-Cus-Mundra dated 26.09.2025. The Goods imported vide Bill of Entry No. 4703175 (Z-type) dated 24.09.2025 were stuffed into Container No. DRYU6044903. The goods were placed at the warehouse of M/s. Fast Track CFS Private Limited, Plot No.3, Block C, Sector 11, APSEZ-Mundra-370421. The details of the goods declared in the Bill of Entry No. 4703175 (Z-type) dated 24.09.2025 are as under:

Table-A

(1 USD = 88.85 INR)

Sr. No.	Declared CTH	Description	Unit Price In USD	Quantity in MTR	Total Amount in USD
1	85444992	CAT 6 Semi Finished LAN Cable 5500 Meter Each Drum (412 Drums)	0.008455	22,66,000	19159.03

2. Whereas, the officer of SIIB, Custom House, Mundra conducted an examination of goods imported under subject Bill of Entry No. 4703175 (Z-type) dated 24.09.2025 on 01.10.2025 vide Examination Report dated 01.10.2025 drawn at M/s. Fast Track CFS Private Limited, Plot No.3, Block C, Sector 11, APSEZ-Mundra-370421, in presence of Shri Alok Mishra, Authorised representative of Importer M/s. Kiran Eximtrade Private Limited and Shri Chirag Sudhakar More, Operational Manager of M/s. Fast Track CFS Private Limited, APSEZ-Mundra.

2.1 Whereas, Shri Alok Mishra, Authorised representative of Importer M/s. Kiran Eximtrade Private Limited on behalf of importer, provided the import documents pertaining to the said Bill of Entry to SIIB Officer. On enquiry by SIIB officer, Shri Chirag Sudhakar More, Operational Manager of M/s. Fast Track CFS Private Limited, APSEZ-Mundra was asked to place the Container No. DRYU6044903 for the examination and container was placed at warehouse No. 04 of the above said unit. After placing of the container, the seal affixed was tallied with the documents received and found intact.

2.2 Further, on being requested by the SIIB officer, Shri Chirag Sudhakar More, Operational Manager of M/s. Fast Track CFS Private Limited, APSEZ-Mundra provides the copy of the computerised weighment slip containing the net weight of the goods of container. As per the weighment slips, the net weight of the goods in the container are as follows:

Table-B

Bill of Entry No. (Z-type) & date	Container No.	Weight as per B/L	Net weight of the goods as per weighment slip	Difference
4703175 dated 24.09.2025	DRYU6044903	25,900 Kg	25,720 Kg	180 Kg (Short)

2 . 3 Further, SIIB officer conducted examination and details of the goods found during examination are as under:

The consignment contained multi-coloured twisted pair LAN cables wound on wooden drums/reels and secured with corrugated coverings. Four types of cables were found with different inner core sizes – 0.51 mm, 0.57 mm, 0.45 mm, and 0.40 mm. The goods were found as declared in quantity and description in the Bill of Entry. Each reel contains approx. 5500 meters of cable and total quantity was found approximately as declared.

3. Investigations Conducted:

3.1. Rejection of declared value & Redetermination of Assessable Value:-

As the goods imported vide B/E No. 4703175 (Z Type) dated 24.09.2025, the value declared by the importer in the corresponding Bills of Entry and invoices 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 Customs Valuation (determination of Value of Imported Goods) Rules, 2007 and thus the same appear liable to be rejected in terms of Rule 12 of CVR, 2007. The value is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of CVR, 2007. 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*.

The Chartered Engineer vide Report Ref No. ABJ:INSP:CE:SIIB:AM:KEPL:25-26:01 dated 25.11.2025, has suggested the valuation of the imported goods as under:

TABLE-C

(1 USD = 88.85 INR)

S. No.	Description of Goods	Total Quantity (MTR)	Per Unit CIF Value declared – As per invoice & BE (In USD)	Total CIF Value declared – As per invoice & BE (In USD)	Per Unit Suggestive Average CIF Value declared (In USD)	Total Suggestive Average CIF Value declared (In USD)
1.	CAT 6 Semi Finished LAN	22,66,000	0.008455	19,158	0.017	38,522

Cable 5500 Meter Each Drum				
Total Suggestive Average Value (Approx.)		19,158		38,522

As per Table, the total Assessable value (CIF) is re-evaluated as Rs. 34,22,680/- (USD 38,522 @ 88.85 INR) (Rs. Thirty four lakh twenty two thousand six hundred eighty only). However, the declared assessable value was Rs. 17,02,280/- (Rs. Seventeen lakh two thousand two hundred eighty only).

3.2 Applicable duty and taxes

3.2.1 Based on the foregoing paragraphs, it is evident that the importer has attempted to evade payment of duties and taxes by undervaluing the imported goods. The duty liability on the imported goods is ascertained as under:

TABLE-D

(1 USD = 88.85 INR)

Sr. No.	Description of Goods	Total Quantity (MTR)	Total Suggestive CIF Value by C.E (in Rs.)	Total BCD Amount (In Rs.) @10%	Applicable SWS (in Rs.) @ 10%	Applicable IGST Amount (in Rs.) (CIF+BCD+SWS)*18%	Total Applicable Duty (in Rs.) (BCD+SWS+IGST)
1	CAT 6 Semi Finished LAN Cable 5500 Meter Each Drum	22,66,000	34,22,680	3,42,268	34,227	6,83,852	10,60,347
TOTAL		22,66,000	34,22,680	3,42,268	34,227	6,83,852	10,60,347

From the Table-D above, it appears that the total duty liability of the importer is Rs. 10,60,347/- (Rs. Ten lakh sixty thousand three hundred forty seven only).

3.2.2 The importer in the BE No. 4703175 (Z TYPE) dated 24.09.2025, has declared the value of the goods as Rs. 17,02,280/- (Rs. Seventeen lakh two thousand two hundred eighty only) and calculated the applicable duties and taxes on the good declared, based on the declared value and classification in the Bill of Entry, the importer has assessed the duty and taxes as Rs. 5,27,367/-.

3.2.3 Based on the calculations from Para 3.2.1 (Table D) and Para 3.2.2 above, the importer is required to pay/levy a differential liability of Rs. 5,32,980/- (Rs. Five lakh thirty two thousand nine hundred eighty only), on the undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the undervaluation of goods.

4. Outcome of the investigation:

The investigation conducted by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra, revealed significant irregularities in the import consignment of M/s. Kiran Eximtrade Private Limited (IEC-0514007541), 4, Vishwas Nagar, Shahdara, Delhi-110032 under Bill of Entry No. 4703175 (Z Type) dated 24.09.2025, covering container no. DRYU6044903. The examination uncovered deliberate undervaluation of goods, indicating an intent to evade Customs duties. The outcomes of the investigation are as follows:

4.1 Undervaluation

The declared assessable value of the goods was Rs. 17,02,280/- (Rs. Seventeen lakh two thousand two hundred eighty only), with a total duty of Rs. 5,27,367/-. The Chartered Engineer's Report (Ref. No. ABJ:INSP:CE:SIIB:AM: KEPL:25-26:01 dated 25.11.2025) re-evaluated the total assessable value (CIF) was determined to be Rs. 34,22,680/- (Rs. Thirty four lakh twenty two thousand six hundred eighty only). The re-determined value was established under Rule 9 of the Customs Valuation Rules (CVR), 2007 (residual method), as values under Rules 3 to 8 could not be established due to the lack of comparable data for identical or similar goods.

4.2 Duty Evasion

The importer's deliberate undervaluation resulted in a differential duty liability of Rs. 5,32,980/- (Total duty liability of Rs. 10,60,347/- as per Table D minus declared duty of Rs. 5,27,367/-). This includes Basic Customs Duty (BCD), Social Welfare Surcharge (SWS) and Integrated Goods and Services Tax (IGST).

4.3 Confiscation of goods and Penal Action

In view of the above para, it is evident that the importer M/s. Kiran Eximtrade Private Limited, has done undervaluation of the declared goods and therefore, the declared goods are liable for confiscation under Sections 111(m) of the Customs Act, 1962, due to not corresponding to the declared value. The importer's actions indicate an intent to evade customs duty, violating Section 46(4) of the Customs Act, 1962 (false declaration in Bill of Entry). Consequently, the importer is liable for penalties under Sections 112(a)(ii) and 114AA of the Customs Act, 1962, for knowingly submitting false documents and attempting to evade duties.

5. RELEVANT LEGAL PROVISIONS:

(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:

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

.....

(o) “**import**” means —

- (i) *bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise; or*
- (ii) *receiving goods, or services by a Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;*

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

1. *The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
2. *The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.*

3. *Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.*

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

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

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

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

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

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

47 (5) *Refund, Demand, Adjudication, Review and Appeal with regard to matters relating to authorise operations under Special Economic Zones Act, 2005, transactions, and goods and services related thereto, shall be made by the Jurisdictional Customs and Central Excise Authorities in accordance with the relevant provisions contained in the Customs Act, 1962, Central Excise Act, 1944, and the Finance Act, 1994 and the rules made thereunder or the notifications issued thereunder.*

(B) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

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

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

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

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

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

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

Section 17. Assessment of duty. –

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

..

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

Section 46. Entry of goods on importation:

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

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

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

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

--

(1) 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;

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:*

114AA. Penalty for use of false and incorrect material. –

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

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

“Rule 4. Transaction value of identical goods. - (1) (a) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued;

.....

(3) In applying this rule, if more than one transaction value of identical goods is found, the lowest such value shall be used to determine the value of imported goods.

“Rule 5. Transaction value of similar goods . - (1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:

Provided that

(2) The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3),

of rule 4 shall, mutatis mutandis, also apply in respect of similar goods.

Rule 7. Deductive value.-

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -

(i) either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;

(ii) the usual costs of transport and insurance and associated costs incurred within India;

(iii) the customs duties and other taxes payable in India by reason of importation or sale of the goods.

(2) If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule (1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of ninety days after such importation.

(3) (a) If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.

(b) In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).

Rule 8. Computed value.-

Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-

(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;

(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;

(c) the cost or value of all other expenses under sub-rule (2) of rule 10.

Rule 9. Residual method:-

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

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

(2) No value shall be determined under the provisions 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.

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.

6. The Importer vide e-mail dated 11.12.2025, has given their acceptance of the Chartered Engineer Report Ref. No. ABJ:INSP:CE:SIIB:AM:KEPL:25-26:01 dated 25.11.2025. Further, they have requested that they don't want any Summons, SCN & PH and decide the matter on merits and they have agreed to pay differential duty, fine/penalty, as applicable.

PERSONAL HEARING AND SUBMISSIONS

7. The importer M/s. Kiran Eximtrade Private Limited vide letter dated 20.12.2025 has submitted the following:

"....., we wish to inform you that we have imported the goods "CAT-6 Semi-Finished LAN Cable" from China vide Bill of Entry No. 4703175 dated 24.09.2025.

The goods were detained by your department and subsequently examined. As per the examination, the Chartered Engineer (CE) has assessed the value of the goods in his report. We hereby agree to and accept the value assessed by the CE.

*In view of the above, we humbly request you to kindly accept the assessed value and release the goods at the earliest. **We further submit that we do not require any Personal Hearing (PH) or issuance of Show Cause Notice (SCN) in respect of this shipment.***

Sir, the goods are presently incurring heavy demurrage, detention, and shipping line charges, causing financial hardship. Therefore, we once again request your good office to kindly consider our submission and allow release of the goods at the earliest possible."

DISCUSSION AND FINDINGS

8. I have carefully gone through the records of the case and Investigation Report No. 189 dated 12.12.2025. The importer vide letter dated 20.12.2025 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. 17,02,280/-** for the goods under Z-Bill of Entry No. 4703175 dated 24.09.2025 is liable to be rejected under Rule 12 of CVR, 2007 and re-determined as **Rs. 34,22,680/-** as per the Chartered Engineer's valuation report in terms of Rule 9 of CVR, 2007;

(ii) Whether the Bill of Entry No. 4703175 dated 24.09.2025 requires re-assessment 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 **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. Kiran Eximtrade Private Limited.

9.1 Regarding the first issue, I find that the importer has imported goods declared as "CAT 6 Semi Finished Lan Cable 5500 Meter Each Drum (412 Drums) (CTH85444992)" with declared assessable value of **Rs. 17,02,280/-** vide Bill of Entry No. 4703175 dated 24.09.2025. On physical examination conducted on 01.10.2025, the goods were found as declared in terms of description and quantity. I find that although the goods matched the declaration in terms of description and quantity, the value declared appeared to be significantly undervalued considering the quality of the goods found during examination. This gives sufficient reason to doubt the declared value.

9.2 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 apparent undervaluation found during examination gives sufficient reason to doubt the declared value.

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

9.4 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:SIIB:AM:KEPL:25-26:01 dated 25.11.2025, has provided the valuation of the goods. The Chartered Engineer, based on random physical and visual examination of the goods and their present condition and quality, has determined that the suggestive CIF value of the goods is **Rs. 34,22,680/-**. The importer vide their email dated 11.12.2025 & letter dated 20.12.2025 has accepted the Chartered Engineer's valuation report.

9.5 I find that the declared assessable value was **Rs. 17,02,280/-**, whereas the re-

determined assessable value as per the Chartered Engineer's report is **Rs. 34,22,680/-**, showing an undervaluation of **Rs. 17,20,400/-**. This significant undervaluation clearly establishes that the declared value is not acceptable.

9.6 In view of the above, I hold that the declared assessable value of **Rs. 17,02,280/-** is liable to be rejected under Rule 12 of CVR, 2007 and the value is re-determined at **Rs. 34,22,680/-** in terms of Rule 9 of CVR, 2007 based on the Chartered Engineer's valuation report dated 25.11.2025.

10.1 Regarding the second issue, I find that Section 17(4) of the Customs Act, 1962 provides that "*where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.*" In the present case, I find that the self-assessment is incorrect as it is based on undervalued goods. The declared value has been rejected and re-determined as **Rs. 34,22,680/-** as discussed above. The duty liability needs to be re-calculated based on the re-determined assessable value.

10.2 I find that as per the re-determined assessable value of **Rs. 34,22,680/-**, the duty liability is as follows:

Sr. No.	Item Description	Total Re-determined Assessable Value (In Rs.)	BCD @ 10% (In Rs.)	SWS @ 10% (In Rs.)	IGST @ 18% (In Rs.)	Total Re-determined Duty (In Rs.)	Declared Duty (In Rs.)	Differential Duty (In Rs.)
1	CAT 6 Semi Finished LAN Cable	34,22,680	3,42,268	34,227	6,83,852	10,60,347	5,27,367	5,32,980

10.3 Therefore, I hold that Bill of Entry No. 4703175 dated 24.09.2025 is liable to be rejected and re-assessed under Section 17(4) of the Customs Act, 1962 and the total re-determined duty liability is **Rs. 10,60,347/-** as against the declared duty of **Rs. 5,27,367/-**, resulting in differential duty of **Rs. 5,32,980/-**.

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

11.2 I find that in the present case, the goods do not correspond with the entry made in the Bill of Entry in respect of value. I find that the importer has violated Section 46(4) of the Customs Act, 1962 by not making a true declaration as to the contents of the Bill of Entry in terms of value. 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 undervaluation clearly establishes that the declaration made was false and incorrect.

11.3 I find that the importer's acts of omission and commission have rendered the goods liable to confiscation. The significant undervaluation establishes that the goods do not correspond with the entry made under the Act in terms of value. Therefore, I hold that the goods imported vide Bill of Entry No. 4703175 dated 24.09.2025 having re-determined assessable value of **Rs. 34,22,680/-** are liable for confiscation under **Section**

111(m) of the Customs Act, 1962.

11.4 Further I find that the Investigation Report also mentions confiscation under Section 111(l) of the Customs Act, 1962, Section 111(l) is not applicable in the present case. Section 111(l) 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.*" In the present case, the physical examination conducted on 01.10.2025 revealed that the goods were found exactly as declared in the Bill of Entry in terms of description and quantity. There were no excess goods found, nor were there any goods found which were not included in the Bill of Entry. Therefore, the provisions of **Section 111(l)** are not attracted in this case.

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

12.1 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 undervalued goods with differential duty liability of **Rs. 5,32,980/-**. The importer's deliberate acts of significant undervaluation have rendered the goods liable to confiscation under **Section 111(m)** of the Customs Act, 1962. These acts of omission and commission attract penalty under **Section 112(a)(ii)** of the Customs Act, 1962.

12.2 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 value of the goods by significantly undervaluing the goods. The importer declared assessable value of **Rs. 17,02,280/-** while the actual re-determined value is **Rs. 34,22,680/-**, resulting in undervaluation of **Rs. 17,20,400/-**. This suppression of material facts regarding the value of goods 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.

12.3 Therefore, I find that penalties under **Sections 112(a)(ii)** and **114AA** of the Customs Act, 1962 are imposable upon the importer M/s. Kiran Eximtrade Private Limited.

ORDER

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

(i) I order to reject the declared assessable value of **Rs. 17,02,280/-** in respect of goods covered under SEZ Z-Type Bill of Entry No. 4703175 dated 24.09.2025 under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and order re-determination of assessable value at **Rs. 34,22,680/-** (Rupees Thirty Four Lakh Twenty Two Thousand Six Hundred Eighty Only) in terms of Rule 9 of CVR, 2007;

(ii) I reject the self-assessment of Bill of Entry No. 4703175 dated 24.09.2025 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. 5,32,980/-** (Rupees Five Lakh Thirty Two Thousand Nine Hundred Eighty Only);

(iii) I order to confiscate the imported goods covered under Bill of Entry No. 4703175 dated 24.09.2025 having re-determined assessable value of **Rs. 34,22,680/-** (Rupees Thirty Four Lakh Twenty Two Thousand Six Hundred Eighty Only), under **Section 111(m)** of the Customs Act, 1962. However, I give option to the importer to redeem the said goods for home consumption under **Section 125** of Customs Act, 1962 on payment of Redemption Fine of **Rs. 3,40,000/-** (Rupees Three Lakh Forty Thousand Only);

(iv) I impose penalty of **Rs. 50,000/-** (Rupees Fifty Thousand Only) on the importer M/s. Kiran Eximtrade Private Limited under **Section 112(a)(ii)** of Customs Act, 1962;

(v) I impose penalty of **Rs. 50,000/-** (Rupees Fifty Thousand Only) on the importer M/s. Kiran Eximtrade Private Limited under **Section 114AA** of Customs Act, 1962.

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

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

To,

M/s. Kiran Eximtrade Private Limited (IEC No. 0514007541)
4, Vishwas Nagar, Shahdara,
Delhi – 110032

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