प्रधान आयुक्त काकार्यालय, सीमा शुल्क,
सीमा शुल्क भवन, ऑल इंडिया रेडियो के पास,नवरंगपुरा, अहमदाबाद 380009
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OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, NEAR ALL INDIA RADIO, NAVRANGPURA, AHMEDABAD 38 00 09
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Show Cause Notice

Brief facts of the case:

M/s Travian Flight Services Private Limited (hereinafter referred to as "the said importer/noticee") (IEC No.1008002631) 2nd floor, Sarathy Enclave, Cheruparambath Road, Kadavanthara, Ernakulam, Kerala, had imported '*Aircraft Model Learjet 45, SN 417, USA*' and its parts for which Bill of entry was filed manually Bill of *Entry number 02/21 dated 03-June-2021 of the manual BE register*. The goods imported under the said bill of entry were given Out of Charge after payment of appropriate Customs duties on the basis of the declarations made by the said importer in the said bill of entry.

2. Whereas, the office of the Air Cargo Complex, Ahmedabad was subjected to audit by the office of the Director General of Audit (Central), Ahmedabad. During the course of audit, certain observations relating to valuation of imported second-hand aircraft were raised in respect of imports cleared through Air Cargo Complex, Ahmedabad.

3. During scrutiny of the records relating to the import of the subject aircraft, it was noticed that the importer had imported "Aircraft Model Learjet 45, Serial No. 417, USA" and filed Manual Bill of Entry No. 02/21 dated 03.06.2021. Examination of publicly available aviation records and aircraft industry references revealed that Serial No. 417 pertains to a Learjet 45XR series aircraft manufactured by Bombardier Aerospace. Industry sources further indicate that Learjet 45XR aircraft were manufactured during the period approximately between 2003 and 2012 and that aircraft bearing Serial No. 417 was manufactured around the year 2010.

3.1 Further scrutiny of aviation industry publications and aircraft valuation references revealed that the Learjet 45XR is a premium business jet aircraft and that the price of a comparable new Learjet 45XR aircraft during the relevant period was approximately USD 11.523 million. At the exchange rate applicable on 03.06.2021, the equivalent value works out to approximately Rs.85,38,54,300/-.

3.2 It is further observed that Board Circular No.07/2020-Customs dated 05.02.2020 prescribes guidelines for valuation of imported second-hand machinery and used capital goods. The Circular inter alia provides that the declared value of such goods is required to be examined with reference to overseas appraisal reports, Chartered Engineer's reports and the depreciated value determined in terms of Board Circulars dated 19.11.1987 and 04.01.1988. The Circular further provides that where significant differences arise, the proper officer is required to examine the correctness of the declared value in terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

3.3 Applying the depreciation methodology prescribed under the aforesaid Circulars and allowing the maximum permissible depreciation of 70%, the indicative depreciated value of the subject aircraft works out to Rs.25,61,56,290/-, excluding any expenditure towards refurbishment, repairs, modifications, avionics upgrades, painting, reconditioning or other value-enhancing activities, if any.

3.4 It is observed that the aircraft was assessed at a value of Rs.11,85,60,000/- which is substantially lower than the indicative value of Rs.25,61,56,290/- arrived at by applying the Board-prescribed valuation parameters. The records available do not indicate production of any independent aircraft valuation report, Chartered Engineer's report or any contemporaneous documentary evidence establishing the correctness of the declared value.

3.5 It is further observed that although the importer relied upon an appraisal report issued by M/s Mansfield Aviation International LLC indicating a value of USD 1.5 million, the said report by itself does not conclusively establish the correctness of the declared value. The report does not disclose the detailed valuation methodology adopted, comparable market transactions relied upon, basis of quantification of depreciation, documentary evidence supporting the alleged damage history, or supporting maintenance and repair records. The report does not disclose the detailed valuation methodology adopted, comparable market transactions relied upon, basis of quantification of depreciation, documentary evidence supporting the alleged damage history, or supporting maintenance and repair records, and also does not comply with the Form A as prescribed in the Board’s circular. In the absence of such supporting evidence, the truth and accuracy of the value declared on the basis of the said report remain open to doubt within the meaning of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

3.6 It is also observed that independent aviation market references available in the public domain, including aircraft market intelligence platforms and business aircraft sales publications, indicate that pre-owned Learjet 45XR aircraft are generally traded internationally at values significantly higher than the value declared by the importer. Such references indicate market values and asking prices ranging from approximately USD 2.5 million to USD 4.5 million depending upon aircraft condition, maintenance status, airframe hours, engine hours, avionics configuration and refurbishment status.It is further observed that publicly available aviation valuation references,substantially higher values for comparable Learjet 45XR aircraft. Aviation market sources referring to Aircraft Bluebook data indicate a valuation of approximately USD 3.6 million for a 2010 Learjet 45XR aircraft. Further, aviation market intelligence platforms (https://www.bjtonline.com/aircraft/bombardier-learjet-45xr,https://www.avbuyer.com/articles/private-jet-price-guides/bombardier-learjet-45xr-price-guide-112643, https://www.aircraftcostcalculator.com/AircraftOperatingCosts/79/Learjet%2B45XR,https://elliottjets.com/bargain-buys-in-the-midsize-jet-category) indicate that comparable Learjet 45XR aircraft have generally been traded and offered for sale at values significantly higher than the value of USD 1.5 million reflected in the appraisal report relied upon by the importer. While such market references may not by themselves constitute transaction value for the purposes of Customs Valuation Rules, they nevertheless constitute relevant market indicators. When considered together with the valuation parameters prescribed under Board Circular No.07/2020-Cus. and the substantial difference between such market indicators and the value adopted in the appraisal report, coupled with the absence of supporting maintenance logs, repair records, damage assessments and technical documentation substantiating the extraordinary depreciation claimed, gives rise to reasonable doubt regarding the truth and accuracy of the declared value.

3.7 In view of the above facts, and in the absence of contemporaneous documentary evidence substantiating the declared value, the declared transaction value appears liable to scrutiny under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Consequently, the declared transaction value appears liable to rejection and reassessment in accordance with the provisions of the Customs Valuation Rules, 2007.

3.8 Accordingly, it appears that the subject aircraft was undervalued by Rs.13,75,96,290/- resulting in short levy and short payment of Customs duty amounting to Rs.1,08,52,907/- which appears recoverable under the provisions of the Customs Act, 1962 along with applicable interest.

4. Legal Provisions:

The relevant provisions of law relating to the import of subject goods under the provisions of Customs Act, 1962, are as follows:

4.1 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.

(2) The proper officer may verify the entries made under section 46 or section 50 and the self-assessment of goods referred to in sub-section (1) and for this purpose, examine or test any imported goods or export goods or such part thereof as may be necessary.

Provided *that the selection of cases for verification shall primarily be on the basis of risk evaluation through appropriate selection criteria.*

(3) For the purposes of verification under sub-section (2), the proper officer may require the importer, exporter or any other person to produce any document or information, whereby the duty leviable on the imported goods or export goods, as the case may be, can be ascertained and thereupon, the importer, exporter or such other person shall produce such document or furnish such information.

(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.

(5) Where any re-assessment done under sub-section (4) is contrary to the self-assessment done by the importer or exporter and in cases other than those where the importer or exporter, as the case may be, confirms his acceptance of the said re- assessment in writing, the proper officer shall pass a speaking order on the re-assessment, within fifteen days from the date of re-assessment of the bill of entry or the shipping bill, as the case may be.

4.2 Relevant portions of **Section 46 of the Customs Act, 1962** are as under:

Section 46(4) of Customs Act 1962, stipulates 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.

Section 46(4A) of Customs Act, 1962, stipulates that 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.

4.3 **Section 111 of the Customs Act, 1962** *provides for confiscation of improperly imported goods –*

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 transhipment, with the

declaration for transhipment referred to in the proviso to sub-section (1) of section 54;

4.4 Section 112 of the Customs Act, 1962 *provides for levy of penalties for improper importation of the goods:*

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, harboring, 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) -----------

(iv) -----------

(v) -----------

4.5 **Section 114 AA of the Customs Act, 1962** read as follows:

“*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.”*

4.6 ***Section 124 of the Customs Act, 1962*** *read as follows:*

“Issue of show cause notice before confiscation of goods, etc.

- 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 a Deputy Commissioner of Customs, informing] [Substituted by Act 29 of 2006, Section 28, for " writing informing" (w.e.f. 13.7.2006).] 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.]

4.7 Section 125. Option to pay the fine in lieu of confiscation. - *(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation* *whereof is prohibited under this Act or any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods39[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, [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 subsection (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.

(3) Where any 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.

5. Therefore, it appears that with the introduction of the Self-Assessment, the importer is required to declare the correct particulars such as description, classification in the subject Bill of entry filed for the clearance of imported goods. The importer is squarely responsible for self-assessment of duty on imported goods and filing all declaration and related documents and confirming these are true, correct and complete. Importers would face penal action on account of wrong self-assessment made with intent to evade duty or avoid compliance of conditions of notifications, Foreign Trade Policy or any other provisions under the Customs Act, 1962 or the allied acts. While filing the Bills of Entry Importer is bound to declare the correct particular of the goods which it appears the importer had failed do to in subject case. Section 46(4) of Customs Act, 1962 stipulates 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. It appears that the importer failed to bring out the truth relating to the declaration of the value of the second-hand machinery under import, which is statutorily obligation as per the Act.

6. Consequent upon amendment to the Section 17 of the Customs Act, 1962 vide Finance Act, 2011, 'Self-assessment' has been introduced in customs clearance. Section 17 of the Customs Act, effective from 08.04.2011 (CBEC's (now CBIC) Circular No. 17/2011 dated 08.04.2011], provides for self-assessment of duty on imported goods by the importer himself by filing a bill of entry, in the electronic form. Section 46 of the Customs Act, 1962 makes it mandatory for the importer to make entry for the imported goods by presenting a bill of entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011 (issued under Section 157 read with Section 46 of the Customs Act, 1962), the bill of entry shall be deemed to have been filed and self-assessment of duty completed when, after entry of the electronic declaration (which is defined as particulars relating to the imported goods that are entered in the Indian Customs Electronic Data Interchange System) in the Indian Customs Electronic Data Interchange System either through ICEGATE or by way of data entry through the service centre, a bill of entry number is generated by the Indian Customs Electronic Data Interchange System for the said declaration. Thus, under self-assessment, it is the importer who has to ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the bill of entry. Thus, with the introduction of self-assessment by amendments to Section 17, since 08.04.2011, it is the added and enhanced responsibility of the importer more specifically the RMS facilitated Bill of Entry, to declare the correct description, value, notification, etc. and to correctly classify, determine and pay the duty applicable in respect of the imported goods. In other words, the onus on the importer in order to prove that they have classified the goods correctly by giving the complete description of the goods, classify the same under proper CTH and its value, payment of duties of customs as applicable. Incomplete description of the goods declared, misclassification of goods and short payment of duty is nothing but suppression of information with intent to get financial benefit to claim the benefit of the Notification. In view of the above, it is very clear that the onus is on the importer only to give correct declaration, to make correct classification of the goods and to pay the correct duties as applicable of the goods being imported.

6.1 Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 provides that where the proper officer has reason to doubt the truth or accuracy of the value declared in relation to imported goods, he may seek further information and evidence from the importer. If, after considering the information furnished, reasonable doubt regarding the declared value persists, the declared transaction value may be rejected and the value determined in accordance with Rules 4 to 9 of the said Rules.

6.2 In the instant case, the substantial difference between the declared value and the value derived by applying the valuation parameters prescribed by the Board for second-hand machinery, coupled with the absence of contemporaneous documentary evidence substantiating the declared value, gives rise to reasonable doubt regarding the truth and accuracy of the declared transaction value. Accordingly, the declared transaction value appears liable to rejection under Rule 12 read with Rule 3 of the Customs Valuation Rules, 2007.

7. It is observed that the actual transaction relating to acquisition of the aircraft, including the purchase negotiations, consideration paid, valuation basis adopted, aircraft condition reports, maintenance records, appraisal reports and other material particulars relevant to determination of assessable value, were matters exclusively within the knowledge and possession of the importer. Notwithstanding the statutory obligations cast under Sections 17 and 46 of the Customs Act, 1962, the importer neither declared the correct assessable value nor furnished contemporaneous documentary evidence capable of substantiating the truth and accuracy of the value declared in the Bill of Entry. The report submitted by the noticee does not disclose the detailed valuation methodology adopted, comparable market transactions relied upon, basis of quantification of depreciation, documentary evidence supporting the alleged damage history, or supporting maintenance and repair records, and also does not comply with the Form A as prescribed in the Board's circular.

7.1 It further appears that by declaring a value substantially lower than the value ascertainable on the basis of the Board's valuation guidelines and by failing to disclose material particulars relevant for determination of assessable value, the importer enabled assessment and clearance of the goods at a value lower than that legally chargeable to duty. The differential duty escaped levy solely because the material facts relating to valuation were not fully and correctly disclosed before Customs at the time of assessment.

7.2 Further, even after the discrepancy was pointed out by the Department and opportunities were afforded vide letters dated 20.03.2026 and 09.04.2026, the importer has not furnished any substantive documentary evidence rebutting the valuation discrepancy or establishing the correctness of the declared value.

7.3 Therefore, it appears that the importer failed to disclose material particulars relevant for determination of the correct assessable value and thereby caused short levy of Customs duty amounting to Rs.1,08,52,907/-. Accordingly, it appears that the short levy occurred by reason of wilful misstatement and suppression of material facts relating to valuation within the meaning of Section 28(4) of the Customs Act, 1962. Consequently, the differential duty appears recoverable under Section 28(4) along with applicable interest under Section 28AA of the Customs Act, 1962.

8. From the foregoing facts and circumstances, it appears that the importer declared and got assessed the imported aircraft at a value which appears not to represent the correct assessable value for the purposes of levy of Customs duty. Consequently, the imported goods appear liable to confiscation under Section 111(m) of the Customs Act, 1962. The importer also appears liable to penalty under Section 112 of the Customs Act, 1962.

Further, inasmuch as the importer appears to have made and used declarations relating to valuation which were not true and correct in all material particulars, the importer also appears liable to penalty under Section 114AA of the Customs Act, 1962.

9. The importer was informed about the valuation discrepancy and consequential short payment of Customs duty vide letter F.No. VIII/48-78/ACC/Audit/April-21-Sept-21/22-23 dated 20.03.2026 and was requested to furnish comments and supporting documents.

9.1 In response, the importer vide letters dated 25.03.2026 and 09.04.2026 sought extension of time for compilation and verification of records.However, till the date of issuance of this notice, the importer has not furnished any substantive documentary evidence establishing the correctness of the declared assessable value or rebutting the valuation concerns raised by the Department.

9.2 It is further observed that the documents and information necessary to establish the correctness of the declared value, including purchase agreements, valuation reports, appraisal reports, aircraft condition reports, maintenance records and evidence regarding determination of the declared transaction value, were specifically within the knowledge and control of the importer. Despite opportunities afforded by the Department, the importer has neither produced such documents nor furnished any satisfactory explanation regarding the substantial difference noticed between the declared value and the value derived in terms of the Board's valuation guidelines.

10. Now, therefore, M/s Travian Flight Services Private Limited(IEC NO.1008002631),2nd floor, Sarathy Enclave, Cheruparambath Road, Kadavanthara, Ernakulam, Kerala,are hereby called upon to Show Cause to the Commissioner of Customs, Ahmedabad, **within 30 days** of receipt of this notice as to why:-

- **a.** Customs duties of Rs.1,08,52,907 /- (@ 7.8875% including 2.5% BCD, 10% SWS on BCD and 5% IGST) (Rupees One Crore Eight Lakh Fifty-Two Thousand Nine Hundred and Seven only) should not be demanded and recovered from them, in terms of Section 28(4) of the Customs Act,1962 along with the applicable interest under Section 28AA of the Customs Act, 1962;
- **b.** The imported aircraft, which appears to have been cleared on the basis of an incorrect declaration of value, should not be held liable to confiscation under Section 111(m) of the Customs Act, 1962;
- **c.** The redemption fine under Section 125 of the Customs Act, 1962 should not be imposed on the goods proposed for confiscation at (b) above;
- **d.** Penalty should not be imposed upon them under the provisions of Section 112 of the Customs Act, 1962 for contravention of the provisions of the Customs Act, 1962 as detailed above;
- **e.** Penalty should not be imposed upon them under the provisions of Section 114AA of the Customs Act, 1962, for contravention of the provisions of the Customs Act, 1962 as specified in the said provision.

11. The noticee is hereby directed to submit the written reply to this show cause notice within 30 days from the date of receipt of this show cause notice. They should also produce, at the time of showing cause, all the evidence upon which they intend to rely upon in support of his defense. In case the notice wants to be heard in person, they should make a request in this regard by writing. If no specific request is made in writing, it shall be presumed that they do not wish to be heard in person.

12. This show cause notice is without prejudice to any other action to be taken under the Customs Act, 1962. Further this show cause notice is without prejudice to any other action that may be taken against the said importer M/s Travian Flight Services Private Limited (IEC NO.1008002631) under any other law for time being in force in respect of subject consignment.

13. The Department reserves the right to add, alter, amend, modify or supplement this notice on the basis of any evidence mentioned and material facts related to the case instant, which may come to notice of Department after issuance of this notice and prior to adjudication of the case. The documents relied upon are enclosed.

14. Attention is invited to Section 28(5) and 28(6) of the Customs Act,1962 according to which, if the amount of duty along with interest payable thereon under Section 28AA ibid and 15% penalty has been paid in full within thirty days from the date of receipt of the notice, then, proceedings against such person to whom the notice is issued under Section 28(4) shall be deemed to be concluded.

15. Attention is also invited to Section 127B of the Customs Act,1962, according to which the noticee may make an application before the Hon'ble Settlement Commission containing a full and true disclosure of the duty liability which has not been disclosed before the proper officer and may obtain immunity from prosecution and penalty subject to the conditions laid down by Hon'ble Settlement Commission, as stipulated in Section 127 (Chapter XIVA) of the Customs Act, 1962.

Digitally signed by
Manish Kulhary
Date: 01-06-2026
19:07:11

(Manish Kulhary)
Commissioner of Customs
Ahmedabad.

F.No. VIII/10-01/Pr.Commr./O&A/2026-27 Date: 01.06.2026

To
M/s Travian Flight Services Private Limited,
2nd floor, Sarathy Enclave,
Cheruparambath Road, Kadavanthara,
Ernakulam, Kerala,

Copy to :-

1. The Chief Commissioner of Customs, Ahmedabad for information.
2. The Deputy/Assistant Commissioner of Customs, Air Cargo Complex Ahmedabad
3. To. Asstt. Commr (Systems), for uploading on official website.
4. Guard file.