OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS,
CUSTOMS HOUSE, MP & SEZ MUNDRA,
KUTCH, GUJARAT-370421
PHONE: 02838-271463 FAX :02838-271169/271475

A	**File No.**	**CUS/APR/INV/375/2026-Gr 5-6-O/o Pr Commr-Cus-Mundra**
B	**OIO No.**	**MCH/ADC/ZDC/136/2026-27**
C	**Date of Order**	**.05.2026**
D	**Passed by**	**Dipak Zala Additional Commissioner Import Assessment, Custom House, Mundra**
E	**IR No. & Date**	**89/2026-27 DATED 20.05.2026**
F	**Noticee/Party/ Importer**	**M/s G Tech Electronics (IEC 0515025534), Third Floor, B-12/5, Block-B, Jhilmil, New Delhi, Shahdara, Delhi-110095**
G	**DIN**	**20260571MO000000EA5B**

1. The Order – in – Original is granted to concern free of charge.

2. 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

The Commissioner of Customs (Appeal), MUNDRA,
Office at 7th floor, Mridul Tower, Behind Times of India,
Ashram Road, Ahmedabad-380009

3. Appeal shall be filed within Sixty days from the date of Communication of this Order.

4. Appeal should be accompanied by a Fee of Rs. 5/- (Rupees Five Only) under Court Fees Act it must accompanied by (i) copy of the Appeal, (ii) this copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/- (Rupees Five Only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

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

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

7. 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 or Penalty are in dispute, where penalty alone is in dispute.

Issue in Brief and Details of Bill of Entry:

On the basis of Specific information received to this office, the goods imported by M/s G Tech Electronics (IEC 0515025534), Third Floor, B-12/5, Block-B, Jhilmil, New Delhi, Shahdara, Delhi-110095, (herein after referred as "the importer" for brevity) under Bill of Entry No. Z-7702594 dated 23.02.2026, filed at APSEZ (INAJM6), identified as high risk for mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods. The goods were destined to M/s Shoolin Tradelink LLP, Mundra (Kutch) Port-INAJM6. The details of the goods declared in the Bill of entry no. Z-7702594 dated 23.02.2026 are detailed below:

Table-I

Sr. No.	CTH	Description	Quantity	UQC	Packages
1	44119229	MDF Board	12400	PCS	1494
2	94039900	Iron Legs for Fittings	12400	PCS	

Examination of the Goods:

2. Whereas, the examination of the goods pertaining to Bill of Entry No. 7702594 dated 23.02.2026, received in container no. EMCU8584320 was conducted on 31.03.2026 in the presence of Authorized Representative of the importer and SEZ unit M/s Shoolin Tradelink LLP. Authorized representative of M/s G Tech Electronics, Importer informed that the seal cutting permission for the above-mentioned Bill of Entry was already granted by PO, SEZ, Mundra prior to email for hold and accordingly, the cargo was de-stuffed from Container no. EMCU8584320 and stored in the warehouse of SEZ unit M/s Shoolin Tradelink LLP. Further, the details of the Goods found during examination are mentioned as below:

Table-II

Sr. No.	Description of item	Total No. of pieces	Total No. of packages	Weight of cargo as per CFS weighment slip (in kgs)
1	MDF Board	12400	1240	20692
2	Iron Legs for Fittings	12400	254	
Total		24800	1494	20692

3. Classification of the Goods:

In view of Table II it appears that the goods under import are parts of table and thus the goods mentioned at Sr. No. 01 of Table 2 ie MDF board is correctly classifiable under CTH 94039900 instead of declared CTH 44119229.

4. Rejection and Determination of Valuation:

4.1. The inconsistency observed in filing of the Bill of Entry suggests deliberate Undervaluation, mis-declaration of quantity and mis-classification.

4.2. As imported items were found to be undervalued, mis-declared and mis-classified in the Bill of Entry No. Z-7702594 dated 23.02.2026, hence they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Since, mis-declaration of the goods, in parameters such as valuation and mis-classification, was noticed, the declared value of the goods is liable to be determined in terms of Rule 12, explanation 1 (i), of the said Rules, by going sequentially from Rule 2 to 9 thereof.

Determination of valuation:

a) Efforts were made to find out the correct assessable value of the imported goods found undeclared. It was observed that the imported goods were found in different variety, description, specification and

quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data extracted with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value could not be determined under Rules 4 and 5 of CVR, 2007.

b) As per Rule 6 ibid, if the value cannot be determined under Rules 3, 4 and 5 same shall be determined under the provisions of Rule 7 or when same cannot be determined under that rule then under Rule 8.

c) As the imported goods were found to be non-standard, the sale price of identical or similar goods was not available in the domestic market as the goods are miscellaneous in nature and found in different variety, description, specification, model, brand, make, sizes and quality, therefore, determination of transaction value under Rule 7 of CVR, 2007 was not possible.

d) As substantial data related to the cost or value of materials and fabrication or other processing employed in producing the imported goods required to compute the value under Rule 8 is also not available. Therefore, valuation of the impugned goods could not be ascertained under Rule 8 of CVR, 2007.

e) Hence, valuation of the goods is to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid.*

Accordingly, the Chartered Engineer was appointed for valuation of the goods. The Chartered Engineer vide his CE Report No. ABJ:INSP:CE:MUN:SIIB:26-27:04 dated 15.04.2026 has suggested the valuation of the imported goods as under:

Table-III

Sr. No.	**Description (as per Test Report)**	**Total No. of pieces**	**Per unit avg suggestive CIF value of goods in bulk**	**Total Average suggestive CIF value of goods in bulk**	**Assessable Value as per CE valuation in INR**	**Assessable Value as per CE valuation in INR**	**Duty payable as per assessable value ascertained by CE**			
							BCD	**SWS/ AIDC**	**IGST**	**TOTAL**

			quantity in	**quantity in**		**including LOA**				
1	MDF Board	12400	0.95	11780	1082582	1277447	255489	63872	287426	606787
2	Iron Legs for Fittings	12400	0.15	1860	170934	201702	40340	10085	45383	95809
		24800		13640		1479149				702596

The chartered engineer, empanelled by the government, determined the fair value of the goods to be Rs. 14,79,149/- in contrast to the declared assessable value as Rs. 10,35,404/-.

4.3. With the introduction of self-assessment under Section 17(1) of the Customs Act, 1962, the responsibility lies squarely on the importer to accurately self-assess the Bill of Entry and declare the correct amount of leviable duty. By failing to declare dutiable goods correctly in the Bill of Entry, the importer's actions indicate an intent to evade payment of the correct duties on the imported goods. This deliberate omission raises reasonable grounds to believe that the importer wilfully and intentionally concealed dutiable goods, thereby causing a loss to government revenue.

5. <u>Re-determination of Duty:</u>

5.1. Based on the foregoing paragraphs, it is evident that the importer has mis-classified/mis-declared the imported goods to evade payment of duties and taxes. From the Table III above, it appears that the total duty liability of the importer is Rs. 7,02,596/-.

5.2. The importer in the BE no. Z- 7702594 dated 23.02.2026, has declared the value of the goods as Rs. 10,35,404/- and calculated the applicable duties and taxes on the good declared, based on the declared value and classification in the Bill of Entry as Rs. 3,42,982/-.

5.3. Based on the calculation from Table-III above, the importer is liable to pay/levy a differential liability of Rs. 3,59,613/- on the mis-declared goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the misdeclaration of goods.

6. LEGAL PROVISIONS:

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

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

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

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

…

(l) any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;

(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under Section 77 in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54.

…

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

Any person, -

(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section111,

shall be liable, -

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

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

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

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest;

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

6.5. *114AA. Penalty for use of false and incorrect material*

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

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

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

(a) is given a notice in writing with the prior approval of the officer of Customs not below the rank of an Assistant Commissioner of Customs, informing him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;

(b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and

(c) is given a reasonable opportunity of being heard in the matter:
Provided that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned be oral.

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

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

(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods or, where such owner is not known, the person from whose possession or custody such goods have been seized, an option to pay in lieu of confiscation such fine as the said officer thinks fit:

Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, 3 [no such fine shall be imposed]:

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

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

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

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

"*Rule 4. Transaction value of identical goods. - (1) (a) Subject to the provisions of rule 3, the value of imported goods shall be the transaction*

value of identical goods sold for export to India and imported at or about the same time as the goods being valued;

……..

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

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

Provided that ……..

(2) The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, mutatis mutandis, also apply in respect of similar goods.

Rule 7. Deductive value.-

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

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

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

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

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

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

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

Rule 8. Computed value.-

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

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

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

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

Rule 9. Residual method:-

(1) Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means

consistent with the principles and general provisions of these rules and on the basis of data available in India;

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

(2) No value shall be determined under the provisions of" this rule on the basis of –

(i) the selling price in India of the goods produced in India;

(ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;

(iii) the price of the goods on the domestic market of the country of exportation; (iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;

(v) the price of the goods for the export to a country other than India;

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

Rule 12. Rejection of declared value. - (1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, he may ask the importer of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such importer, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such imported goods cannot be determined under the provisions of sub-rule (1) of rule 3.

7. Outcome of Investigation:

On the basis of specific information for risk of mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods in the import consignment of M/s G Tech Electronics (IEC 0515025534), Third Floor, B-12/5, Block-B, Jhilm, New Delhi, Shahdara, Delhi-110095 under Bill of Entry No. Z-7702594 dated 23.02.2026, filed at APSEZ (INAJM6), an investigation was initiated by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra. The investigation revealed significant irregularities in the import consignment of M/s G Tech Electronics under Bill of Entry No. Z-7702594 dated 23.02.2026. The examination uncovered deliberate mis-declaration in description and mis-classification of goods, indicating intent to evade Customs duties. The outcomes of the investigation are as follows:

7.1. Examination and Findings:

- The examination conducted on 31.03.2026 in the presence of authorized representative of importer and SEZ unit, revealed discrepancies in the goods imported by M/s. G Tech Electronics under Bill of Entry No. Z-7702594 dated 23.02.2026,
- Declared goods: MDF Board under the CTH 44119229 and Iron Legs for Fittings under the CTH 94039900
- Found goods: MDF Board under the CTH 94039900 and Iron Legs for Fittings under the CTH 94039900 indicating mis-declaration and mis-classification.

7.2. Valuation of the Goods:

- Declared Value: The importer declared an assessable value of INR 10,35,404/-.
- Redetermined Value: The Chartered Engineer's report (ref no. ABJ:INSP:CE:MUN:SIIB:26-27:04 dated 15.04.2026 determined the fair CIF value at USD 13,640/-, equivalent to INR 14,79,149/- (at INR 91.9/USD) in contrast to the declared assessable value as INR 10,35,404/-.

- Valuation Method: The declared value was rejected under Rule 12 of CVR Rules, 2007, due to undervaluation/mis-declaration and mis-classification. Valuation was determined under Rule 9 of the Customs Valuation Rules (CVR), 2007 (residual method), as values under Rules 4–8 could not be established due to lack of comparable data, non-standard nature of goods, and absence of domestic market sale prices.

7.3. Duty Evasion:

- The importer's deliberate undervaluation resulted in a differential duty liability of INR 3,59,613 /- (total duty liability of INR 7,02,596 /- as per Table III minus declared duty of INR 3,42,982/-).

7.4. Conclusion:

The importer has, by their acts of omission and commission, rendered the goods found mis-classified and undervalued with assessable value of INR 14,79,149/- under Bill of Entry No. Z-7702594 dated 23.02.2026, liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962, and is therefore also liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. As the importer has mis-declared the quantity of the goods, they are also liable for penalty under Section 114AA of the Customs Act, 1962.

Waiver of Notice and Personal Hearing: -

8. The importer M/s. G Tech Electronics has accepted the CE Report and requested for waiver of the Show Cause Notice and personal hearing in the matter, necessary adjudication proceeding/action may be initiated in respect of the said Bill of Entry as per the Customs Act, 1962.

9. In view of the above, it appears that:

a) The declared description, classification, quantity, No. of Packages, Weight of the goods in the Bill of Entry No. 7702594 dated 23.02.2026 is liable to be rejected and need to be re-determined as per above discussion in para 8.1 above.

b) The declared total assessable value of the goods, i.e., Rs. 10,35,404/-, is liable to be rejected and the same needs to be re-determined as Rs. 14,79,149/- under Rule 9 of the Customs Valuation Rules, 2007.
c) The self-assessment done by the importer is liable to be rejected and the BE needs to be re-assessed with differential duty of Rs. 3,59,613 /- under Section 17(4) of the Customs Act, 1962.
d) The goods imported vide Bill of Entry No. 7702594 dated 23.02.2026 having value of Rs. 14,79,149/-, are liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962.
e) The importer is liable for penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962.

Submission and Personal Hearing

10. The Importer vide email dated 15.05.2026 has requested for waiver of the show cause notice and personal hearing in the matter and requested for early adjudication of the matter.

Discussion and Findings

11. I find that the importer, M/s G Tech Electronics (IEC 0515025534), vide their email dated 15.05.2026, has explicitly accepted the Chartered Engineer's Report and requested for waiver of the Show Cause Notice as well as personal hearing in the matter. They have consented to adjudication of the case on merits. In view of the importer's clear and unconditional waiver of Show Cause Notice and Personal Hearing, the principles of natural justice under Section 124 of the Customs Act, 1962 have been duly complied with. Considering the importer's waiver and the availability of all material evidence on record, including the Bill of Entry No. Z-7702594 dated 23.02.2026, examination report dated 31.03.2026, Chartered Engineer Report No. ABJ:INSP:CE:MUN:SIIB:26-27:04 dated 15.04.2026, and the Investigation Report of SIIB, the case is ripe for adjudication on merits without issuance of Show Cause Notice or conduct of Personal Hearing.

11.1 As the principles of natural justice stand complied with in view of the importer's explicit waiver of Show Cause Notice and personal hearing vide their email dated 15.05.2026, I now proceed to adjudicate the matter on merits. After careful examination of the facts of the case as brought out in the Investigation Report, the following key issues are identified for determination:

1. Whether the declared description, classification, quantity, number of packages and weight of the goods in the Bill of Entry No. Z-7702594 dated 23.02.2026 are liable to be rejected and re-determined.
2. Whether the declared assessable value of Rs. 10,35,404/- is liable to be rejected and the value of the goods is to be re-determined as Rs. 14,79,149/- under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.
3. Whether the self-assessment done by the importer is liable to be rejected and the Bill of Entry is to be re-assessed with differential duty of Rs. 3,59,613/- under Section 17(4) of the Customs Act, 1962.
4. Whether the goods imported vide Bill of Entry No. Z-7702594 dated 23.02.2026 having re-determined value of Rs. 14,79,149/- are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962.
5. Whether the importer M/s G Tech Electronics is liable for penalty under Section 112(a)(ii) and Section 114AA of the Customs Act, 1962.

12. The investigation conducted by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra, pursuant to specific intelligence regarding high-risk mis-declaration/mis-classification and possible undervaluation, has clearly established the factual position regarding the import consignment covered under Bill of Entry No. Z-7702594 dated 23.02.2026 filed by M/s G Tech Electronics (IEC 0515025534). The goods were imported in container No. EMCU8584320 and were examined on 31.03.2026 at the warehouse of the SEZ unit M/s Shoolin Tradelink LLP after de-stuffing, in the presence of the authorized representative of the importer. The examination revealed that while the physical quantity and total number of packages broadly tallied with the

declared figures, there were material discrepancies in the description and classification of the goods.

12.1 It is established that the importer had declared the goods as "MDF Board" classifiable under CTH 44119229 and "Iron Legs for Fittings" under CTH 94039900. However, upon physical examination, the MDF Boards were found to be appropriately classifiable as parts of tables/furniture under CTH 94039900, indicating mis-classification. The goods were found to be 12400 pieces of MDF Board and 12400 pieces of Iron Legs for Fittings, packed in 1494 packages with a total weight of 20692 kgs as per CFS weighment slip. No evidence of prohibited or restricted goods was found during examination, and the goods appear to be standard furniture components/parts.

12.2 The following table summarizes the comparison between the declared particulars and the facts established during examination:

Table 1: Comparison of Declared vs. Actual Goods

Particulars	**Declared in Bill of Entry**	**Established during Examination**
Description	MDF Board (CTH 44119229) Iron Legs for Fittings (CTH 94039900)	MDF Board (reclassified as CTH 94039900 - parts of table) Iron Legs for Fittings (CTH 94039900)
Quantity	12400 pcs MDF + 12400 pcs Iron Legs	12400 pcs MDF + 12400 pcs Iron Legs
Total Packages	1494	1494
Weight	Not specifically mentioned	20,692 kgs
Classification	Mixed (44119229 & 94039900)	Both under 94039900

12.3 The above facts have been duly recorded in the examination report and form part of the investigation records. The investigation has further established that the importer failed to declare the correct classification and description of the MDF Boards, which are functionally parts of furniture/tables rather than generic MDF boards. This mis-declaration is evident from the nature of the goods found, which were specifically designed

and shaped for use as table tops or similar furniture components when read along with the accompanying iron legs.

12.4 It is also established that the declared assessable value of Rs. 10,35,404/- requires rejection in light of the material inconsistencies observed in description and classification, which have a direct bearing on the valuation. The declared value is accordingly not acceptable. Similarly, the self-classification and description furnished in the Bill of Entry are liable to be rejected on the basis of the physical examination findings. The importer has not disputed these factual findings during the course of investigation and has, in fact, accepted the Chartered Engineer's Report vide email dated 15.05.2026.

12.5 I find that the goods imported under the present shipment were found mis-declared in respect of description, classification, valuation and other particulars during the examination of the goods. I find that the goods were found mis-declared in terms of classification, description, valuation, and other import particulars, and the items found during the examination were not matching with the declared description and classification in the import documents. The importer during the investigation has not disputed the findings of the investigation. Goods declared in the Bill of Entry and actual goods found during the examination of the goods are already mentioned in the foregoing paras and there is no need to repeat them here for the sake of brevity. The above findings clearly establish that the importer failed to make a true and correct declaration of the imported goods as mandated under Section 46 of the Customs Act, 1962.

13. The goods imported under Bill of Entry No. Z-7702594 dated 23.02.2026 were declared by the importer as "MDF Board" classifiable under Customs Tariff Heading (CTH) 44119229 and "Iron Legs for Fittings" under CTH 94039900. Upon detailed examination of the goods conducted on 31.03.2026, it is found that the MDF Boards are appropriately classifiable under CTH 94039900 as parts of furniture, specifically parts of tables, while the Iron Legs for Fittings continue to remain classifiable under the same heading 94039900.

13.1 The declared classification of MDF Board under CTH 44119229 is not correct. Heading 4411 covers fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances, and sub-heading 441192 covers fibreboard of a density exceeding 0.8 g/cm^3. However, the goods in question are not merely generic MDF boards. They are pre-cut, shaped, and finished boards specifically designed and intended for use as table tops or similar furniture components, as evidenced by their dimensions, finish, and pairing with iron legs for fittings in the same consignment. Classification must be done based on the essential character and intended use of the goods as per the General Rules for Interpretation of the First Schedule to the Customs Tariff Act, 1975. Rule 1 provides that classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes. Rule 3(a) further provides that where goods are classifiable under two or more headings, the heading which provides the most specific description shall be preferred.

13.2 CTH 9403 covers “Other furniture and parts thereof” and sub-heading 94039900 specifically covers “Parts” of such furniture. Since the MDF Boards are manifestly parts of tables/furniture when considered along with the iron legs imported in the same consignment, they merit classification under CTH 94039900. The importer’s declaration under CTH 44119229 does not reflect the correct identity and functional use of the goods. The classification under CTH 94039900 is therefore held to be correct for both the MDF Boards and the Iron Legs for Fittings.

13.3 I find that the declared classification of the MDF Boards under CTH 44119229 is incorrect and the same is liable to be rejected. The correct classification for the MDF Boards as well as the Iron Legs for Fittings is CTH 94039900 as parts of furniture/tables.

14. From the above, it is evident that the importer had mis-declared the goods in terms of description and classification. The goods were not found exactly as per the declaration filed in the Bill of Entry No. Z-7702594 dated 23.02.2026. I find that the declared value cannot be accepted as the true transaction value in view of the mis-declaration of description and

classification. Further, the importer during the investigation has accepted the findings and requested for waiver of the Show Cause Notice. The importer has also agreed to the valuation suggested by the Chartered Engineer. Thus, the declared value is not acceptable as transaction value and merits rejection in terms of Section 14 of the Customs Act, 1962 read with Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The value is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of the Customs Valuation Rules, 2007.

14.1 I find that Rule 4(1)(a) of the said Rules stipulates determination of value of goods on the basis of transaction value of identical goods. Rule 5 provides for transaction value of similar goods. I observe 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 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 cannot be determined under Rules 4 and 5 of CVR, 2007. As per Rule 6 ibid, if the value cannot be determined under Rules 3, 4 and 5, the same shall be determined under the provisions of Rule 7 or when the same cannot be determined under that rule then under Rule 8. I also noticed that no exact sales values and data required for quantification of the deductions was available, hence Rule 7 cannot be invoked. Further, computed value as provided under Rule 8 cannot be calculated in the absence of quantifiable data relating to cost of production, manufacture or processing of the imported goods. In such a scenario, I find it appropriate to invoke the provisions of Rule 9 i.e. residual method for determining the value of the impugned imported goods. Rule 9 provides for determination of value using reasonable means consistent with the principles and general provisions of these rules.

14.2 I find that in the absence of credible data of import of similar goods and other constraints, the value of these goods cannot be determined in terms of Rules 4, 5, 6, 7 and 8 of the Customs Valuation Rules, 2007.

Hence, the value is to be determined in terms of Rule 9 of the said rules. For the purpose of valuation, the Chartered Engineer vide his report No. ABJ:INSP:CE:MUN:SIIB:26-27:04 dated 15.04.2026 has suggested the valuation of the goods as detailed in the table below. The contents of the earlier tables are not being repeated here for the sake of brevity.

Table – 2 Re-determined Assessable Value and Differential Duty

Sr. No.	Description	Qty (pcs)	CE Suggested Unit Value (USD)	Total CIF Value (USD)	Assessable Value (INR)	Assessable Value incl. LOA 18% (INR)	Duty Payable (INR)
1	MDF Board	12,400	0.95	11,780	10,82,582	12,77,447	6,06,787
2	Iron Legs for Fittings	12,400	0.15	1,860	1,70,934	2,01,702	95,809
Total	**-**	**24,800**	**-**	**13,640**	**14,79,149**	**14,79,149**	**7,02,596**

The importer had declared the assessable value of Rs. 10,35,404/- and paid duty of Rs. 3,42,982/-. As per the re-determination above, the differential duty liability works out to Rs. 3,59,614/- (Rs. 7,02,596/- minus Rs. 3,42,982/-).

14.3 For clarity and ease of re-assessment, the following table summarizes the parameters requiring re-determination and re-assessment for the Bill of Entry:

Parameter	**Declared Particulars**	**Re-determined Particulars**
Description	MDF Board & Iron Legs for Fittings	MDF Board (as parts of tables) & Iron Legs for Fittings
Classification (CTH)	44119229 & 94039900	94039900 for both items
Assessable Value	Rs. 10,35,404/-	Rs. 14,79,149/-

14.4 In view of the above, I find that the market price as provided by the Chartered Engineer has to be considered as the basis for arriving at the assessable value of these goods. I hold that the declared value in respect of the aforementioned goods is liable to be rejected under Rule 12 of the CVR, 2007 and the same is liable to be re-determined under Section 14 of the

Customs Act, 1962 read with Rule 9 of the CVR, 2007. Thus, I find it appropriate to accept the value suggested by the Chartered Engineer for the present shipment and re-determine the same at Rs. 14,79,149/-.

15. It is alleged in the investigation report that the goods are liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962. In this regard, I find that as far as confiscation of goods is concerned, Section 111 of the Customs Act, 1962, defines the confiscation of improperly imported goods. The relevant legal provisions of Section 111 of the Customs Act, 1962 are reproduced below: -

> ***(l)*** *any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;*
>
> ***(m)*** *any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof, or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54.*

15.1 In view of the facts and material evidence on record, it is clearly established that the goods imported in the present shipment have been found mis-declared in respect of description, classification, valuation and other material particulars. The importer had filed the Bill of Entry for clearance into the Domestic Tariff Area (DTA) and self-assessed the duty, thereby making the goods subject to the provisions of the Customs Act, 1962, including the provisions relating to confiscation for mis-declaration.

15.2 I find that the goods imported by M/s G Tech Electronics were not correctly declared in respect of their description and classification. The importer had declared the consignment to contain “MDF Board” under CTH 44119229 along with “Iron Legs for Fittings” under CTH 94039900. However, upon examination, the MDF Boards were found to be parts of

tables/furniture and correctly classifiable under CTH 94039900. Further, there was mis-declaration in respect of valuation of the goods.

15.3 I find that the mis-declaration of description and classification in the Bill of Entry brings the goods within the ambit of Section 111(m) of the Customs Act, 1962, as the goods do not correspond in respect of description, classification, value and other material particulars with the entry made under the Customs Act, 1962. Further, since the goods are dutiable and were not correctly included in the Bill of Entry with respect to their true description, classification and value, they are also liable for confiscation under Section 111(l) of the Customs Act, 1962. Accordingly, I find that the imported goods are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

16. From the above, as discussed in Paras 12 to 15, it is evident that the importer has mis-declared the goods in respect of description, classification, valuation and other particulars. Thus, by these acts, the importer has rendered the subject goods liable for confiscation and also rendered themselves liable for penal action under the provisions of Section 112(a) of the Customs Act, 1962. With respect to the dutiable goods, I find that the importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962.

16.1 As regards the penalty on the importer under Section 114AA of the Customs Act, 1962 is concerned, Section 114AA mandates penal action for intentional usage of false and incorrect material against the offender. From the investigation and other material particulars on record, it is observed that the importer has dealt with incorrect documents while filing the Bill of Entry for the said shipment. The importer had knowingly and intentionally made/signed/used and/or caused to be made/signed/used the import documents and other related documents which were false or incorrect in material particulars such as description, classification and value, with the intention to evade duty. Therefore, the importer is liable to penalty under Section 114AA of the Customs Act, 1962.

17. As the impugned goods have been found liable to confiscation under Section 111(l) and 111(m) of the Customs Act, 1962, it becomes necessary to examine whether redemption fine under Section 125 of the said Act is imposable in lieu of confiscation. The statutory provision reads as under:

> *"Section 125. Option to pay 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 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."*

17.1 A plain reading of the above provision reveals that the imposition of redemption fine serves as an alternative to confiscation, providing the owner of the goods an opportunity to redeem them on payment of a fine, wherever their clearance for home consumption is not restricted under any policy or statutory provision.

17.2 In the instant case, the goods are dutiable but not prohibited under the Customs Tariff Act, 1975 or the Foreign Trade (Development & Regulation) Act, 1992. There exists no restriction or prohibition under any policy framework which would prevent their clearance for home consumption.

17.3 Since the goods are non-prohibited, and the importer has not opted for re-export, the mandatory provision under Section 125(1) comes into operation. Accordingly, the importer is entitled to the option of redemption of the confiscated goods for home consumption on payment of an appropriate fine in lieu of confiscation.

18. In view of the above findings, I conclude that the importer mis-declared the goods in respect of description and classification, deliberately undervalued the consignment, and failed to make a correct declaration as

required under Section 46 of the Customs Act, 1962. These acts of omission and commission have rendered the goods liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962, and have made the importer liable to penalty under Section 112(a)(ii) as well as under Section 114AA of the Customs Act, 1962. Further, as the goods are dutiable but not prohibited, an option to redeem the confiscated goods on payment of an appropriate redemption fine is required to be extended to the importer under Section 125(1) of the Customs Act, 1962.

19. In view of the above discussion and findings, I pass the following order.

Order

(i) I order to reject the self-assessment made by the importer under Section 17(1) of the Customs Act, 1962 for Bill of Entry No. Z-7702594 dated 23.02.2026. Further, I order to re-assess the said Bill of Entry in accordance with Table - 3 under the provisions of Section 17(4) of the Customs Act, 1962. The differential duty so arising consequent to such re-assessment shall be payable by the importer along with applicable interest.

(ii) I order to reject the declared assessable value of Rs. 10,35,404/- and order to re-determine the same as Rs. 14,79,149/- (Rupees Fourteen Lakh Seventy Nine Thousand One Hundred Forty Nine only) under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

(iii) I order for confiscation of the goods imported vide Bill of Entry No. Z-7702594 dated 23.02.2026, having a re-determined assessable value of Rs. 14,79,149/- (Rupees Fourteen Lakh Seventy-Nine Thousand One Hundred Forty Nine only), under Sections 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the said goods for home consumption on payment of a redemption fine of Rs. 1,47,900**/-** (Rupees One Lakh Forty-Seven Thousand Nine Hundred only) under Section 125 of the Customs Act, 1962, as the same are not prohibited goods.

(iv) I impose a penalty of Rs. 35,900/- (Rupees Thirty Five Thousand Nine Hundred only) upon the importer under Section 112(a)(ii) of the Customs Act, 1962.

(v) I impose a penalty of Rs. 10,000/- (Rupees Ten Thousand only) upon the importer under Section 114AA of the Customs Act, 1962.

19. This Order is issued without prejudice to any other action that may be taken against the importer under the provisions of the Customs Act, 1962 or rules made thereunder or under any other law for the time being in force.

Digitally signed by Dipakbhai Zala
Date: 27-05-2026 17:42:57

Additional Commissioner

Customs House, Mundra

Copy to:

1. M/s G Tech Electronics (IEC 0515025534)
   Third Floor, B-12/5, Block-B, Jhilmil,
   New Delhi, Shahdara, Delhi-110095
2. RRA/TRC/SIIB/EDI Sections, Custom House, Mundra