

		<b>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा</b> <b>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS,</b> <b>CUSTOM HOUSE: MUNDRA, KUTCH</b> <b>MUNDRA PORT &amp; SPL ECONOMIC ZONE, MUNDRA-370421</b> ई-मेल/ E-Mail: group5-mundra@gov.in
A	फा /सं .FILE NO.	CUS/APR/BE/MISC/322/2026-Gr 5-6-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ADC/ZDC/692/2025-26
C	द्वारा पारित किया गया PASSED BY	<b>Dipak Zala,</b> Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	09-03-2026
E	जारी करने की तिथि DATE OF ISSUE	10-03-2026
F	कारण बताओ नोटिस सं एवं तिथि . SCN NO. & DATE	Importer requested for SCN & PH Waiver
G	नोटिसीपार्टी / आयातक/ NOTICEE/PARTY/ IMPORTER	M/s. ACE ELECTRO TRADE, IEC: DDNPA0326N Lower Ground Floor, Bearing No. 3, Gali No. 17, Reghar Pura, Near Hard, Delhi - 110 005
H	डिन DIN	20260371MO000000D917

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, 4<sup>TH</sup> 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**

M/s. ACE ELECTRO TRADE (IEC: DDNPA0326N) (hereinafter referred to as 'the importer' for the sake of brevity) having address at Lower Ground Floor, Bearing No. 3, Gali No.17, Reghar pura, Near Hard, Delhi - 110005, had filed Bill of Entry No. 5647371 (Z Type) dtd. 12.11.2025 for import of the following declared goods weighing 11010 Kgs, (G.Wt.), through Container No. EGSU6343826:

**Table-A**

Exchange Rate: 1 USD = 89.5 INR

S NO.	CTH	DESCRIPTION	QUANTITY	UQC
1	40169990	ANTISATIC MAT (FOR MOBILE REPAIR USE)	500	PCS
2	82059090	BLOWING TOOL (FOR MOBILE REPAIR USE)	40	PCS
3	82089090	CUTTING KNIFE SET (FOR MOBILE REPAIR USE)	300	PCS
4	85177990	DC POWER SUPPLY (FOR MOBILE REPAIR USE)	60	PCS
5	82059090	GLUE REMOVER (FOR MOBILE REPAIR USE)	100	PCS
6	34029099	LIQUID CLEANER FOR MOBILE REPAIR USE	350	PCS
7	90118000	MICROSCOPE FOR MOBILE REPAIR USE	750	PCS
8	82059090	MINI GRINDING TOOL FOR MOBILE REPAIR USE	100	PCS
9	90118000	MINI MAGNIFYING DEVICE FOR MICROSCOPE FOR MOBILE REPAIR USE	110	PCS
10	85177990	MINI POLISHING PEN FOR MOBILE REPAIR USE	200	PCS
11	85177990	MINI TABLE FOR HEATING TOOL FOR MOBILE REPAIR USE	100	PCS
12	82059090	SCRAPER (FOR MOBILE REPAIR USE)	1000	PCS
13	85177990	MINI UV LAMP FOR MOBILE REPAIR USE	300	PCS
14	85151900	MINI WELDING TOOL FOR MOBILE REPAIR USE	50	PCS

15	84799090	MINI VACCUM UV MACHINE FOR SCREEN GUARD REMOVER	10	PCS
16	39269099	PACKING MATERIAL FOR MOBILE ACCESSORIES MORE THAN 100 MICRON	569000	PCS
17	85177990	PCB HOLDER (FOR MOBILE REPAIR USE)	800	PCS
18	39269099	PLASTIC BACK COVER	1700	PCS
19	39269099	PLASTIC HOUSING CASE FOR LAPTOP	50	PCS
20	39269099	PLASTIC SHEET FOR MOBILE (RAW MATERIAL)	400	PCS
21	70072190	SCREEN PROTECTOR (32500 PCS)	1085	KGS
22	82059090	SEPARATOR TOOL (FOR MOBILE REPAIR USE)	10	PCS
23	85177990	SMALL PASTER KIT FOR PASTING TEMPER GLASS	210000	PCS
24	38101010	SOLDERING PASTE (FOR MOBILE REPAIR USE)	27100	PCS
25	85151900	SOLDERING TIPS FOR MOBILE REPAIR USE	1300	PCS
26	82059090	TOOL KIT (FOR MOBILE REPAIR USE)	676	PCS
27	85044030	USB HUB (FOR MOBILE REPAIR USE, BIS NO-R41187623)	150	PCS
28	85183019	WIRED EARPHONE	58000	PCS

2. An intelligence was gathered by the SIIB, Mundra wherein the imported cargo was suspected as misdeclared. The above said consignment was put on hold for examination on the basis of intelligence on suspected misdeclaration/ mis-classification of goods for 100% examination. Subject consignment was examined by SIIB, Custom House, Mundra at M/s. Shoolin Trade Link LLP (A Unit in Adani Port SEZ, Mundra) on 06.01.2026 in the presence of Shri Pranjal Singh, Operation Manager, M/s. Shoolin Trade Link LLP and Authorised Representative of the Importer. Shri Pranjal Singh provided relevant import documents. **Net Weight of the Cargo on Weighment Slip is 19950 Kg which includes weight of the Container i.e. 3750 Kgs. Therefore, after deducting 3750 Kgs Net Weight of Cargo comes out to be 16200 Kgs and Cargo Gross Weight in BE shows 11010 Kgs.**

2.1 Container no. and seal no. were verified and thereafter, seal cutting was allowed and goods were 100% destuffed from the containers. After destuffing of goods in the SEZ unit, the corrugated boxes were opened on random selection basis and goods were examined. During Examinations goods were found as below :-

**Table-B**

S NO.	DESCRIPTION	Boxes	QTY	UQC	Remarks
1	ANTISATIC MAT (FOR MOBILE REPAIR	1	500	PCS	

	USE)				
2	BLOWING TOOL (FOR MOBILE REPAIR USE)	4	40	PCS	
3	CUTTING KNIFE SET (FOR MOBILE REPAIR USE)	1	300	PCS	
4	DC POWER SUPPLY (FOR MOBILE REPAIR USE)	13	60	PCS	
5	GLUE REMOVER (FOR MOBILE REPAIR USE)	1	100	PCS	
6	LIQUID CLEANER FOR MOBILE REPAIR USE	8	350	PCS	
7	MICROSCOPE FOR MOBILE REPAIR USE	380	750	PCS	
8	MINI GRINDING TOOL FOR MOBILE REPAIR USE	1	100	PCS	
9	MINI MAGNIFYING DEVICE FOR MICROSCOPE FOR MOBILE REPAIR USE	2	110	PCS	
10	MINI POLISHING PEN FOR MOBILE REPAIR USE	1	200	PCS	
11	MINI TABLE FOR HEATING TOOL FOR MOBILE REPAIR USE		100	PCS	
12	SCRAPER (FOR MOBILE REPAIR USE)		1000	PCS	

13	MINI UV LAMP FOR MOBILE REPAIR USE	1	300	PCS	
14	MINI WELDING TOOL FOR MOBILE REPAIR USE		50	PCS	
15	MINI VACCUM UV MACHINE FOR SCREEN GUARD REMOVER	1	10	PCS	
16	Screen Protector	410	4903.6	KGS	Item declared in BE is PACKING MATERIAL FOR MOBILE ACCESSORIES MORE THAN 100 MICRON, However, Total 205000 PCS Screen Protector is found. As Per Packing List weight mentioned as 49 KGS, However Total weight found is 4903.6 KGS
17	PCB HOLDER (FOR MOBILE REPAIR USE)	7	800	PCS	
18	PLASTIC BACK COVER	3	1700	PCS	
19	PLASTIC HOUSING CASE FOR LAPTOP	1	50	PCS	
20	PLASTIC SHEET FOR MOBILE (RAW MATERIAL)	2	400	PCS	
21	SCREEN PROTECTOR	135	1467 KGS 67500 PCS		
22	SEPARATOR TOOL (FOR MOBILE REPAIR USE)	2	10	PCS	
23	SMALL PASTER KIT FOR PASTING TEMPER GLASS	42	210000	PCS	
	SOLDERING				

24	PASTE (FOR MOBILE REPAIR USE)	78	27100	PCS	
25	SOLDERING TIPS FOR MOBILE REPAIR USE	1	1300	PCS	
26	TOOL KIT (FOR MOBILE REPAIR USE)	5	676	PCS	
27	USB HUB (Multi Port Digital Charger)	2	150	PCS	
28	WIRED EARPHONE	29	58000	PCS	

3. On the basis of examination, description and physical appearance of the goods, it was observed that following items found during the examination which have not been declared in the BE are listed below with correct CTH:

**Table-C**

S.No	DESCRIPTION	CTH	QUANTITY	UQC	Remarks
1	Screen Protector	70071900	205000	PCS	Not declared in BE

Further item No. 21 was found mis-declared in terms of quantity and classification wherein the correct CTH is 70071900.

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

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

4.2. As per Rule 3(4) of CVR, 2007, if the value cannot be determined under the

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

**"9. Residual method.-**

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

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

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

4.3. Therefore, opinion of the Empanelled Chartered Engineer Ajayrajsinh Baldevsinh Jhala, was sought for valuation purpose. The Chartered Engineer vide CE Opinion Certificate Ref:- ABJ:INSP:CE:SIIB:AET:25-26:5 dated 20.02.2026 has provided the valuation of the declared goods as detailed below:

**Table-D**  
**(Valuation Table by CE)**  
(1 USD = 89.5 INR)

S NO.	DESCRIPTION	Boxes	QTY	UQC	Remarks	Suggestive Per Unit C.I.F. Value of the Goods in USD (Approx.)	Suggestive Total C.I.F. Value of the Goods in USD (Approx.)
1	ANTISATIC MAT (FOR MOBILE REPAIR USE)	1	500	PCS		0.4	200
2	BLOWING TOOL (FOR MOBILE REPAIR USE)	4	40	PCS		0.2	8

3	CUTTING KNIFE SET (FOR MOBILE REPAIR USE)	1	300	PCS		0.15	45
4	DC POWER SUPPLY (FOR MOBILE REPAIR USE)	13	60	PCS		0.9	54
5	GLUE REMOVER (FOR MOBILE REPAIR USE)	1	100	PCS		0.15	15
6	LIQUID CLEANER FOR MOBILE REPAIR USE	8	350	PCS		0.15	52.5
7	MICROSCOPE FOR MOBILE REPAIR USE	380	750	PCS		0.5	375
8	MINI GRINDING TOOL FOR MOBILE REPAIR USE	1	100	PCS		0.15	15
9	MINI MAGNIFYING DEVICE FOR MICROSCOPE FOR MOBILE REPAIR USE	2	110	PCS		0.2	22
10	MINI POLISHING PEN FOR MOBILE REPAIR USE	1	200	PCS		0.03	6
11	MINI TABLE FOR HEATING TOOL FOR MOBILE REPAIR USE		100	PCS		3.5	350
12	SCRAPER (FOR MOBILE REPAIR USE)		1000	PCS		1	1000
13	MINI UV LAMP FOR MOBILE REPAIR USE	1	300	PCS		0.3	90
14	MINI WELDING TOOL FOR MOBILE REPAIR USE		50	PCS		0.2	10
15	MINI VACCUM UV MACHINE FOR SCREEN GUARD REMOVER	1	10	PCS		40	400
16	Screen Protector		205000	Pcs		0.09	18450
17	PCB HOLDER (FOR MOBILE REPAIR USE)	7	800	PCS		0.2	160
18	PLASTIC BACK COVER	3	1700	PCS		0.07	119
19	PLASTIC HOUSING CASE FOR LAPTOP	1	50	PCS		0.4	20

20	PLASTIC SHEET FOR MOBILE (RAW MATERIAL)	2	400	PCS		0.15	60
21	SCREEN PROTECTOR	135	1467 KGS 67500 PCS			0.09	6075
22	SEPARATOR TOOL (FOR MOBILE REPAIR USE)	2	10	PCS		0.5	5
23	SMALL PASTER KIT FOR PASTING TEMPER GLASS	42	210000	PCS		0.02	4200
24	SOLDERING PASTE (FOR MOBILE REPAIR USE)	78	27100	PCS		0.05	1355
25	SOLDERING TIPS FOR MOBILE REPAIR USE	1	1300	PCS		0.1	130
26	TOOL KIT (FOR MOBILE REPAIR USE)	5	676	PCS		0.5	338
27	USB HUB (Multi Port Digital Charger)	2	150	PCS		0.5	75
28	WIRED EARPHONE	29	58000	PCS		0.05	2900
<b>Suggestive Total C.I.F. Value of the Goods in USD (Approx.):</b>							36529.5 USD

4.4. The above said CE Opinion Certificate was shared with the importer and the same has been accepted by them vide their email dated 25.02.2026 and they have further submitted that they don't want any Show Cause Notice and Personal Hearing in the matter.

5. As per the above said CE Opinion Certificate, Total Suggestive CIF value of the imported goods is 36529.5 USD (Rs. 32,69,390/-) instead of declared CIF value of 6228.80 USD (Rs. 557478/-). Hence, there is difference of Rs. 27,11,912/- between the re-determined CIF value and the declared CIF value.

#### 6. Duty Calculation:

6.1. Further, in view of above said CE Opinion Certificate, total duty payable in respect of goods covered under the subject Bill of Entry 5647371 dtd. 12.11.2025 comes to Rs. 10,72,877/- as calculated below:

**Table-E**

Item Sr. No. in the	CTH	Description of Goods	Assessable Value as per CE Report (in	BCD (in Rs.)	SWS (in Rs.)	IGST (in Rs.)	Total Duty (in Rs.)
---------------------	-----	----------------------	---------------------------------------	--------------	--------------	---------------	---------------------



16	70071900	SCREEN PROTECTOR	1651275	165128	16513	329925	511565
17	85177990	PCB HOLDER (FOR MOBILE REPAIR USE)	14320	2148	215	3003	5366
18	39269099	PLASTIC BACK COVER	10650.5	1598	160	2233	3991
19	39269099	PLASTIC HOUSING CASE FOR LAPTOP	1790	269	27	375	671
20	39269099	PLASTIC SHEET FOR MOBILE (RAW MATERIAL)	5370	806	81	1126	2012
21	70071900	SCREEN PROTECTOR	543712.5	54371	5437	108634	168442
22	82059090	SEPARATOR TOOL (FOR MOBILE REPAIR USE)	447.5	45	4	89	139
23	85177990	SMALL PASTER KIT FOR PASTING TEMPER GLASS	375900	56385	5639	78826	140850
24	38101010	SOLDERING PASTE (FOR MOBILE REPAIR USE)	121272.5	9095	910	23630	33635
25	85151900	SOLDERING TIPS FOR MOBILE REPAIR USE	11635	1164	116	2325	3605
26	82059090	TOOL KIT (FOR MOBILE REPAIR USE)	30251	3025	303	6044	9372
27	85044030	USB HUB (FOR MOBILE REPAIR USE, BIS NO-R41187623)	6712.5	1343	134	1474	2951
28	85183019	WIRED EARPHONE	259550	51910	5191	56997	114098
<b>TOTAL</b>							<b>1072877</b>

In view of the above, it is found that the Total Suggestive assessable value of the imported goods is Rs. 32,69,390/- instead of declared assessable value of 557478/- at the exchange rate of 1 USD=89.5 INR. Hence, there is difference of Rs. 27,11,912/- between the re-determined assessable value and the declared assessable value.

**6.3** In view of the foregoing paras and investigation conducted in the matter, it is noticed that the impugned goods have been mis-declared by the importer in terms of quantity, description, classification and valuation. Therefore, it appears that the importer has contravened the provisions of Section 17 and Section 46 of the Customs Act, 1962 in as much as they have failed to make correct and true declaration/information in the subject Bill of Entry. These acts of omission and commission on the part of importer has made the impugned goods having re-determined assessable value of Rs. 32,69,390/- liable for confiscation under Section 111 (l) and 111 (m) of the Customs Act, 1962 and

hence, rendered the importer liable for penal action under Section 112(a)(ii) of the said Act. Furthermore, it appears that by mis-declaring the value of the subject goods under import, the importer has also short declared the duty amounting to Rs. 8,80,609/-.

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

## **7. RELEVANT LEGAL PROVISIONS:**

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

#### **SEZ ACT, 2005**

**Section 2. Definitions.** – *In this Act, unless the context otherwise requires, –*

.....

(o) "import" means –

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

**Section 21. Single enforcement officer or agency for notified offences.** –

- (1) The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.
- (2) The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.
- (3) Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.

**Section 22. Investigation, inspection, search or seizure.** –

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

*Provided that no investigation, inspection, search or seizure shall be carried out*

*in a Special Economic Zone by any agency or officer other than those referred to in sub-section (2) or sub-section (3) of section 21 without prior approval of the Development Commissioner concerned:*

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

**SEZ RULES, 2006**

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

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

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

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

.....

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

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

**Section 2. Definitions-**

*In this Act, unless the context otherwise requires,*

- (22) "goods" includes (a) vessels, aircrafts and vehicles; (b) stores; (c) baggage; (d) currency and negotiable instruments; and (e) any other kind of movable property;*
- (23) "import", with its grammatical variations and cognate expressions, means bringing into India from a place outside India;*
- (25) "imported goods", means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;*
- (26) "importer", in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes any owner, beneficial owner or any person holding himself out to be the importer;*
- (39) "smuggling", in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113.*

**Section 11A. Definitions-**

*In this Act, unless the context otherwise requires,*

- (a) "illegal import" means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force.*

**Section 17. Assessment of duty. -**

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

....

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

**Section 46. Entry of goods on importation. -**

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

....

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

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

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

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

.....

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

**Section 112. Penalty for improper importation of goods, etc. -**

*Any person,-*

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

*(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,*

*shall be liable,-*

*i. ....*

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

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

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

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

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

**9. Summary of Investigation Conducted:**

**9.1.** The importer M/s. ACE ELECTRO TRADE (IEC: DDNPA0326N) had filed Bill of Entry No. 5647371 dtd. 12.11.2025 at Mundra Port for import of goods declared as Mix items as listed in the Bill of Entry having declared assessable value of Rs. 557478/- and declared duty of Rs. 192268/-. The goods were examined by the officers of SIIB and found that the some items were found mis-declared in terms of quantity/ declaration and some items were also found which were not declared in the Bill of Entry by the importer. Further, the assessable value of the subject consignment has been re-determined as Rs.32,69,390/- on the basis of CE Opinion Certificate dated 20.02.2026 in

view of Rule 9 of the CVR, 2007, on which applicable duty comes to Rs. 10,72,877/- as detailed in Table-E above resulting in differential duty of Rs. 8,80,609/-.

9.2. The importer has thus contravened Section 17 and Section 46 of the Customs Act, 1962 and the CVR, 2007 in as much as they failed to make correct declarations in the subject Bill of Entry filed by them and correctly assess their duty liability. It further appears that the importer has tried to clear the goods by way of mis-declaration/ undervaluation in order to avoid duty on higher assessable value. Hence, it appears that the importer had knowingly involved themselves in the suppression of the material facts and also indulged in mis-statement of facts. These acts of omission and commission on the part of importer has made the subject goods having re-determined assessable value of Rs. 32,69,390/- liable for confiscation under Section 111(l) and 111 (m) of the Custom Act, 1962 and rendered the importer liable for penal action under Section 112(a) (ii) and 114 AA of the said Act.

10. The importer M/s. ACE ELECTRO TRADE vide their email dated 20.02.2026 has accepted the observation of mis-declaration and submitted that they are ready to pay the differential duty along with applicable penalty. Further, the importer vide the above statement has accepted the valuation report submitted by the CE and submitted that they don't want any Show Cause Notice and Personal Hearing in the matter.

#### PERSONAL HEARING AND SUBMISSIONS

11. The importer M/s. ACE ELECTRO TRADE vide their letter dated 07.03.2026 has submitted the following:

*"..... we would like to inform you that the subject Bill of Entry filed by us was held for further investigation purposes. The investigation has now been completed, and the file has been put up for adjudication.*

*In this regard, we respectfully request your good office to kindly waive the issuance of a Show Cause Notice and Personal Hearing and decide the matter on merits. We hereby undertake to abide by the decision taken by your good office in this matter.*

*Your kind and lenient consideration in this regard will be highly appreciated."*

#### DISCUSSION AND FINDINGS

12. I have carefully gone through the records of the case and Investigation Report No. 287/2025-26 dated 06.03.2026. The importer vide letter dated 07.03.2026 has requested for waiver of Show Cause Notice and personal hearing in the matter. Thus, I find that the principles of natural justice as provided under Section 122A of the Customs Act, 1962 have been complied with and I proceed to decide the case on the basis of documentary evidence available on record. The main issues to be decided are:

(i) Whether the declared assessable value of **Rs. 5,57,478/-** for the goods covered under Bill of Entry No. 5647371 dated 12.11.2025 is liable to be rejected under Rule 12 of CVR, 2007 and re-determined as **Rs. 32,69,390/-** in terms of Rule 9 of CVR, 2007;

(ii) Whether the self-assessment done by the importer is liable to be rejected and the Bill

of Entry No. 5647371 dated 12.11.2025 needs to be re-assessed under Section 17(4) of the Customs Act, 1962 to levy the re-determined duty;

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

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

**13.1** Regarding the first issue, I find that the declared assessable value was **Rs. 5,57,478/-** for the goods covered under Bill of Entry No. 5647371 dated 12.11.2025. However, based on the examination conducted on 06.01.2026, significant discrepancies were found between the declared goods and the actual goods found during examination. During examination, 205000 pieces of Screen Protector were found which were not declared in the Bill of Entry at all. Further, item no. 21 in the Bill of Entry was declared as Screen Protector (32500 PCS) weighing 1085 KGS under CTH 70072190 with a packing list weight of 49 KGS, however, the actual quantity found was 67500 PCS weighing 1467 KGS, constituting misdeclaration in terms of quantity and classification. Furthermore, the net weight of the cargo as found on weighment was 16200 Kgs (after deducting the container weight of 3750 Kgs from the weighment slip weight of 19950 Kgs), whereas the Gross Weight declared in the Bill of Entry was only 11010 Kgs, indicating a significant excess weight of 5190 Kgs.

**13.2** I find that since the goods found on examination differ significantly from the declared goods in terms of quantity, description, classification and value, the declared value cannot be accepted as the true transaction value. 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.

**13.3** 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. In the present case, the subject consignment comprises unbranded items of China origin and in absence of credible data of import of similar/identical goods due to upper quality of goods and other constraints, the value of these goods cannot be determined under Rules 4 to 8 of CVR, 2007.

**13.4** I find that accordingly, the value is to be determined under Rule 9 (Residual method) of CVR, 2007. The empanelled Chartered Engineer Ajayrajsinh Baldevsinh Jhala was engaged for valuation purposes and vide CE Opinion Certificate Ref: ABJ:INSP:CE:SIIB:AET:25-26:5 dated 20.02.2026, has provided the valuation of the goods. The Chartered Engineer has determined that the suggestive CIF value of the goods is **Rs. 32,69,390/-** (USD 36,529.50). The importer vide email dated 25.02.2026 has accepted the Chartered Engineer's valuation report.

**13.5** I find that the declared assessable value was **Rs. 5,57,478/-**, whereas the re-determined assessable value as per the Chartered Engineer's report is **Rs. 32,69,390/-**, showing an undervaluation of **Rs. 27,11,912/-**. This significant undervaluation and misdeclaration of quantity and classification clearly establishes that the declared value is not acceptable.

**13.6** In view of the above, I hold that the declared assessable value of **Rs. 5,57,478/-** is liable to be rejected under Rule 12 of CVR, 2007 and the value is re-determined at **Rs. 32,69,390/-** in terms of Rule 9 of CVR, 2007 based on the Chartered Engineer's valuation report dated 20.02.2026.

**14.1** 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 incorrect weighment and undervalued goods. The declared value has been rejected and re-determined as **Rs. 32,69,390/-** as discussed above. The duty liability needs to be re-calculated based on the re-determined assessable value.

**14.2** I find that as per the re-determined assessable value of Rs. 32,69,390/-, the duty liability is as follows:

Item Description	Total Re-determined Value (In Rs.)	Re-determined Duty (In Rs.)	Declared Duty (In Rs.)	Differential Duty (In Rs.)
All Items as per Table-E, supra	32,69,390/-	10,72,877/-	1,92,268/-	8,80,609/-

**14.3** Therefore, I hold that the self-assessment done by the importer under Section 17(1) is liable to be rejected and Bill of Entry No. 5647371 dated 12.11.2025 needs to be re-assessed under Section 17(4) of the Customs Act, 1962 and the total re-determined duty liability is **Rs. 10,72,877/-** as against the declared duty of **Rs. 1,92,268/-**, resulting in differential duty of **Rs. 8,80,609/-**.

**15.1** Regarding the third issue, I find that Section 111(l) of the Customs Act, 1962 provides for confiscation of *"any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77."* In the present case, I find that the importer did not declare 205000 pieces of Screen Protector in the Bill of Entry. Further, item no. 21 in the Bill of Entry declared as Screen Protector (32500 PCS) weighing 1085 KGS was found to contain 67500 PCS weighing 1467 KGS, which is in excess of what was declared. These goods were not included in the entry made under the Act, clearly rendering them liable to confiscation under Section 111(l).

**15.2** I find that Section 111(m) of the Customs Act, 1962 provides for confiscation of *"any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under Section 77 in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54."* I find that in the present case, the goods do not correspond with the entry made in the Bill of Entry in respect of quantity, description, classification and value. The importer has violated Section 46(4) of the Customs Act, 1962 by not making a true declaration as to the contents of the Bill of Entry. Further, the importer has violated Section 46(4A) of the Customs Act, 1962 by not ensuring the accuracy and completeness of the information given in the Bill of Entry. The significant discrepancies in quantity, classification and value clearly establish that

the declaration made was false and incorrect.

**15.3** I find that the importer's acts of omission and commission have rendered the goods liable to confiscation. The undeclared goods, excess quantity, wrong classification and significant undervaluation collectively establish that the goods do not correspond with the entry made under the Act. Therefore, I hold that the goods imported vide Bill of Entry No. 5647371 dated 12.11.2025 having re-determined assessable value of **Rs. 32,69,390/-** are liable for confiscation under **Section 111(l)** and **Section 111(m)** of the Customs Act, 1962.

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

**16.1** 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 misdeclared and undervalued goods with differential duty liability of **Rs. 8,80,609/-**. The importer's acts of declaring incorrect quantity, wrong classification and significant undervaluation have rendered the goods liable to confiscation under Section 111(l) and Section 111(m) of the Customs Act, 1962. These acts of omission and commission attract penalty under **Section 112(a)(ii)** of the Customs Act, 1962.

**16.2** I find that Section 114AA provides for penalty for "use of false and incorrect material". In the present case, the importer used invoices and packing list while filing the Bill of Entry, and examination revealed significant discrepancies regarding the actual quantity, classification and value of the goods. The importer failed to declare 205000 pieces of Screen Protector, misdeclared the quantity and classification of item no. 21, and significantly undervalued the entire consignment, resulting in an undervaluation of Rs. 27,11,912/-. I find that the invoices and packing list filed along with the Bill of Entry contained incorrect and false material particulars regarding the quantity, classification and value of the imported goods, which are material particulars affecting both duty liability and assessment. This suppression of material facts regarding the quantity, classification and value of the goods, and the significant undervaluation, constitutes the use of false and incorrect material particulars in documents filed for Customs purposes, thereby attracting a penalty under **Section 114AA** of the Customs Act, 1962.

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

### **ORDER**

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

**(i)** I order to reject the declared assessable value of **Rs. 5,57,478/-** in respect of goods covered under Bill of Entry No. 5647371 dated 12.11.2025 under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and order re-

determination of assessable value at **Rs. 32,69,390/-** (Rupees Thirty Two Lakh Sixty Nine Thousand Three Hundred Ninety Only) in terms of Rule 9 of CVR, 2007;

(ii) I reject the self-assessment of Bill of Entry No. 5647371 dated 12.11.2025 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. 8,80,609/-** (Rupees Eight Lakh Eighty Thousand Six Hundred Nine Only);

(iii) I order to confiscate the imported goods covered under Bill of Entry No. 5647371 dated 12.11.2025 having re-determined assessable value of **Rs. 32,69,390/-** (Rupees Thirty Two Lakh Sixty Nine Thousand Three Hundred Ninety Only), under Sections **111(l)** and **111(m)** of the Customs Act, 1962. However, I give option to the importer to redeem the said goods for home consumption under **Section 125** of Customs Act, 1962 on payment of Redemption Fine of **Rs. 3,26,000/-** (Rupees Three Lakh Twenty Six Thousand Only);

(iv) I impose penalty of **Rs. 88,000/-** (Rupees Eighty Eight Thousand Only) on the importer M/s. ACE ELECTRO TRADE 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. ACE ELECTRO TRADE under **Section 114AA** of Customs Act, 1962.

**18.** 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. ACE ELECTRO TRADE (IEC: DDNPA0326N)  
Lower Ground Floor, Bearing No. 3, Gali No. 17,  
Reghar Pura, Near Hard, Delhi - 110 005

**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