

		कार्यालय: प्रधान आयुक्त सीमा शुल्क, मुन्द्रा, सीमा शुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421 OFFICE OF THE COMMISSIONER OF CUSTOMS, CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421.
A	FILE NO. फाइल संख्या	CUS/APR/ASS/74/2026-Gr 4-O/o Pr Commr-Cus-Mundra
B	OIO NO. आदेश संख्या	MCH/ADC/ZDC/541/2025-26
C	PASSED BY जारीकर्ता	Dipak Zala Additional Commissioner of Customs Custom House, Mundra
D	DATE OF ORDER आदेश की तारीख	15.01.2026
E	DATE OF ISSUE जारी करने की तिथि	15.01.2026
F	SCN No. & Date कारण बताओ नोटिस क्रमांक	Waived as per request letter of Imparter dated 07.01.2026.
G	NOTICEE/ PARTY/ IMPORTER नोटिसकर्ता/पार्टी/ आयातक	M/s KDK Overseas (IEC: AAZFK6954A) Plot No.4, Dharma Gold Industrial Estate, Lalpar Revenue Survey No. 39 P1 and 39 P2, Lalpar, Morbi, Gujarat-363642
H	DIN/दस्तावेज़ पहचान संख्या	2026171MO0000222B62

1. यह 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 आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 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 128A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

“सीमाशुल्क आयुक्त (अपील),

चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,

नवरंगपुरा, अहमदाबाद 380 009”

“THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA
HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN
ROAD,

NAVRANGPURA, AHMEDABAD-380 009.”

3. उक्तअपील यहआदेश भेजने की दिनांक से **60** दिन के भीतर दाखिल की जानी चाहिए।

Appeal shall be filed within sixty days 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 be accompanied by -

(i) उक्त अपील की एक प्रति और **A copy of the appeal, and**

(ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं.-6 में निर्धारित **5/-** रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

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. अपील ज्ञापन के साथ ड्यूटी/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये।

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

6. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, **1982** और सीमाशुल्क अधिनियम, **1962** के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।

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

7. 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 (A)** 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.

1. Brief facts of the Case:

As per Investigation Report No. 194/2025-26 dated 24.12.2025, issued by the SIIB Section, Customs House, Mundra, M/s. KDK Overseas (IEC: AAZFK6954A), having office at Plot No.4, Dharma Gold Industrial Estate, Lalpar Revenue Survey No. 39 P1 and 39 P2, Lalpar, Morbi, Gujarat-363642 (hereinafter referred as 'the said

importer') has filed Bill of Entry No. 2401178 dated 31.05.2025 at Mundra Port for import of the goods as tabulated below. On the specific intelligence, the consignment covered under the above said BoE was put on hold. The details of the goods as declared in the said Bill of Entry are as follows:

Table-I**(1 CNY = 12.1 INR)**

Sr. No.	CTH	Description of Goods	Unit Price (In CNY)	Quantity (In Kg)	Amount (FOB) (In CNY)
1	73241000	Stainless Steel Kitchen Sink Model- 4540 HM, Size 450*400*230	: 5.757576	2805	16150.00
2	73241000	Stainless Steel Kitchen Sink Model- 5043 HM, Size 500*430*230	: 5.527115	1383	7644.00
3	73241000	Stainless Steel Kitchen Sink Model- 5545 HM, Size 550*450*230	: 4.727461	5029	23774.40
4	73241000	Stainless Steel Kitchen Sink Model- 6045 HM, Size 600*450*250	: 4.333333	14400	62400.00
5	73241000	Stainless Steel Kitchen Sink Model- 9445 HMD, Size 940*450*250	: 3.388593	2367	8020.80
6	73249000	Sink Accessories Pipe Basket	0.701754	171	120.00
7	84818090	Ceiling Basin Mixer:E40-CBM-GG-406	2.941176	170	500.00
8	84818090	Ceiling Basin Mixer:E40-CBM-MG-405	2.941176	85	250.00
9	84818090	Ceiling Basin Mixer:E40-CBM-MRG- 404	2.941176	255	750.00
10	84818090	Ceiling Basin Mixer:E40-CBM-MRG- 404	5.555556	9	50.00
11	39229000	Drainer Accessories and Faucet Cartige	3.125000	16	50.00
Total				26,690	1,19,709.20

2. Examination of the Goods:

The goods were examined by the Officer of SIIB, Mundra under Examination Report dated 15.06.2025 at the premises of M/s. Saurashtra CFS, Mundra in the presence of Shri Nirmal Gadhvi, H Card Holder (Card No. CHM/H/94/2022-23) authorized representative of CB i.e. M/s Unique Speditorer Private Limited and Shri Ishwar Goswami, Executive Operations of the Saurashtra CFS, Mundra. During the examination, container was completely de-stuffed by the officer of SIIB. The weightment slip was cross checked and the details are as below:

Table-II

S. No.	Bill of Entry No. and Date	Container No.	BL Weight (In kg)	CFS Weight (In kg)
1	2401178 dated 31.05.2025	ESDU4002148	27250	27280 (30 Kg excess)

Further, the goods were examined by the SIIB officers. The goods were packed in different types of packing and same was placed in open area as one upon the other. Prima facie the goods appear as the goods are Stainless Steel Kitchen Sink with accessories of different size. The details of the goods found on examination is as below:

Table-III

S. No.	Item Description	No of Boxes	No. of Pcs in each Box	Total No of Pcs
1	Steel Sink (18*16*9)	NA	1700	1700
2	Steel Sink (22*17*9)	NA	728	728
3	Steel Sink (22*18*9)	NA	2286	2286
4	Steel Sink (24*18*10)	NA	6000	6000
5	Steel Sink (37*18*10)	NA	557	557
6	Sink Accessories Pipe Basket	60	5	300
7	Ceiling Basin Mixer	30	6	180
8	Ceiling Basin Mixer	1	4	4
9	Drainer Accessories	1	37	37

	and Faucet Cartige			
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During the course of examination, the goods declared in the said BE was found as Stainless Steel Kitchen Sink with accessories of different size. However, the quantity was found as declared in Bill of Entry. Prima Facie it appears that the said goods fall under the purview of BIS as per IS 13983:1994. Further, the goods appear highly undervalued.

3. **Compliance of Policy conditions:**

The imported goods i.e. Stainless Steel Kitchen Sink with accessories found during the examination were falls under the compulsory registration with BIS as per IS No. 13983:1994. However, later DPIIT vide its order dated 21.08.2025 has supersede the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2024 and extended the applicability of BIS by 01.10.2025 vide Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025. So, vide the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025, it clearly appears that the said order is not applicable on the goods of current consignment. Further, explanation was also sought from DPIIT via mail and they submitted that QCO was not applicable on the said products in the intervening period.

4. **Rejection and Re-Determination of Valuation:**

4.1. The inconsistency observed in filing the Bill of Entry suggests deliberate undervaluation.

4.2. As there is mis-declaration in valuation in the Bill of Entry No. 2401178 dated 31.05.2025, thus they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Since, mis-description of the goods, which have relevance to value, was noticed, the declared value of the undeclared goods is liable to be determined in terms of Rule 12, explanation 1 (i), of the Customs Valuation Rules (CVR), 2007, 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, empanelled Chartered Engineer was appointed for the valuation of the goods. The Chartered Engineer vide Report Ref. No. CUS/617/2025-26 dated 12.12.2025 has suggested the valuation of the imported goods as under:

Table-IV

Sr. No.	Item	Quantity (In Pcs)	Quantity (In Kg)	Suggestive Average C.I.F. Value by C.E. – per Kg - in INR (Approx.)	Total Suggestive C.I.F. Value by C.E. (in INR)
1	Stainless Steel Kitchen Sink Model-4540 HM, Size 450*400*230	:1700	2805	138	3,87,090
2	Stainless Steel Kitchen Sink Model-5043 HM, Size 500*430*230	: 728	1383	138	1,90,854
3	Stainless Steel Kitchen Sink Model-	:2286	5029	138	6,94,002

	5545 HM, Size 550*450*230				
4	Stainless Steel Kitchen Sink Model- 6045 HM, Size 600*450*250	:6000	14400	138	19,87,200
5	Stainless Steel Kitchen Sink Model- 9445 HMD, Size 940*450*250	: 557	2367	138	3,26,646
6	Sink Accessories Pipe Basket	300	171	138	23,598
7	Ceiling Basin Mixer:E40-CBM-GG-406	60	170	138	23,460
8	Ceiling Basin Mixer:E40-CBM-MG-405	30	85	138	11,730
9	Ceiling Basin Mixer:E40-CBM-MRG-404	90	255	138	35,190
10	Ceiling Basin Mixer:E40-CBM-MRG-404	4	9	138	1,242
11	Drainer Accessories and Faucet Cartige	37	16	138	2,208
Total		11,792	26,690		36,83,220/ -

4.3. As per inspection report valuation opinion of Govt. Approved empanelled Chartered Engineer provided vide Report Ref: CUS/617/2025-26 dated 12.12.2025, it appears that goods imported vide Bill of Entry No. 2401178 dated 31.05.2025 filed by M/s KDK Overseas, Plot No.4, Dharma Gold Industrial Estate, Lalpar Revenue Survey No. 39 P1 and 39 P2, Lalpar, Morbi, Gujarat-363642 has been under-valued. The CE re-determined the value of the goods as Rs. 36,83,220/- instead of declared value of Rs. 15,34,913/-.

5. **Records of Summons and Statement:**

Summons was issued to the importer for recorded of his statement under Section 108 of the Customs Act, 1962. Shri Devendra Ramjibhai Pethapara the Partner of import firm appeared for recording of the statement in Lieu of the Summons dated 17.09.2025. In his statement Shri Devendra Ramjibhai Pethapara has submitted the following details:

- On being asked Shri Devendra Ramjibhai Pethapara submitted that he is the Partner of M/s. KDK Overseas. Their firm was started in February,2023 and they are basically manufacturer of mainly commodities like sink (finishing) & accessories items like sink basket etc. and assembling the same. They do not export but import regularly. Their business turnover in last 2 Financial Years is approx. Rs. 2.16 Crores in 2023-24 and Rs. 2.88 Crores in 2024-25.
- On being asked he submitted that they are importing around 0-1 FCL Containers/Month (sometimes LCL also) from China.
- On being asked he submitted that the goods imported vide BE No. 2401178 dated 31.05.2025 are Kitchen Sink and accessories. They have imported this commodity for manufacturing i.e. finishing purpose and they import same goods regularly.
- On being asked he submitted that he has seen the Examination Report dated 15.06.2025. They have declared the goods as “Kitchen sink and accessories like faucet, pipe basket and Ceiling Basin Mixer etc.” for the reason that these Stainless Steel Sinks are meant to be used in Kitchen purpose only and this is generic description of the goods importer.
- On being asked he submitted that their firm falls under Micro Enterprises as per MSME Certificate and as per Department of Promotion of Industry and Internal Trade’s order dated 11.10.2024, date of implementation of BIS 13983:1994 for Stainless Steel Sinks is 1st October 2025. Therefore, BIS is not applicable for the goods imported by them vide BE No. 2401178 dated 31.05.2025. He also submitted that DPIIT vide their order dated 21.08.2025 extended the implementation date for Micro Enterprises to 1st April 2026. Further, he is not aware about the DPIIT clarification letter F. No. P-29014/33/2025-LEI dated 19.03.2025 Para 2(c).
- On being asked he submitted that he don’t agree with that the goods were undervalued. They have declared the value of goods as per supplier invoice and contract. The all communication was done telephonically. However, the value may be verified by some expert or market survey. The payment of the consignment was completely done to the supplier on 03.06.2025.

6. **Re-determination of Duty:**

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

Table-V

Sr. no.	Item	Quantity (In Kg)	Total Suggestive Average C.I.F. Value by C.E. – per kgs in INR	Total Suggestive C.I.F. Value by C.E. (In INR)	BCD @ 7.5%, 10% or 15% whichever is applicable	SWS @ 10% of BCD	IGST @ 18%	Total Duty (in Rs.)
1	Stainless Steel Kitchen Sink : Model-4540 HM, Size 450*400*230	2805	138	3,87,090	38709	3871	77341	119920
2	Stainless Steel Kitchen Sink : Model-5043 HM, Size 500*430*230	1383	138	1,90,854	19085	1909	38133	59127
3	Stainless Steel Kitchen Sink : Model-5545 HM, Size 550*450*230	5029	138	6,94,002	69400	6940	138662	215002
4	Stainless Steel Kitchen Sink : Model-6045 HM, Size 600*450*250	14400	138	19,87,200	198720	19872	397043	615635
5	Stainless Steel Kitchen Sink : Model-9445 HMD, Size 940*450*250	2367	138	3,26,646	32665	3266	65264	101195
6	Sink Accessories Pipe Basket	171	138	23,598	2360	236	4715	7311
7	Ceiling Basin Mixer:E40-CBM- GG-406	170	138	23,460	1760	176	4571	6507

8	Ceiling Basin Mixer:E40-CBM- MG-405	85	138	11,730	880	88	2286	3253
9	Ceiling Basin Mixer:E40-CBM- MRG-404	255	138	35,190	2639	264	6857	9760
10	Ceiling Basin Mixer:E40-CBM- MRG-404	9	138	1,242	93	9	242	344
11	Drainer Accessories and Faucet Cartige	16	138	2,208	331	33	463	827
		26,690		36,83,220/ -	366642	36664	735575	11,38,8 81/-

From the **Table V above**, it appears that the total duty liability of the importer is Rs. 11,38,881/- (Rs. Eleven lakh thirty eight thousand eight hundred eighty one only).

6.2. The importer in the BE No. 2401178 dated 31.05.2025, has declared the value of the goods as Rs. 15,34,913/- 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. 4,74,914/-.

6.3. Based on the calculations from Table V of Para 6.1 and Para 6.2, the importer is required to pay/levy a differential liability of Rs. **6,63,967/-** (Rs. Six lakh sixty three thousand nine hundred sixty seven only) on the mis-declared/undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the mis-declaration and non-declaration of goods if the goods were released for Home Consumption by adjudicating authority.

7. **LEGAL PROVISIONS:**

7.1. **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;

7.2. **SECTION 46** of the Act, prescribes 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 as may be prescribed.

7.3. Further, **Section 111** of the Act, prescribes the Confiscation of improperly imported goods, etc. as under

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

(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;

(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.

7.4. **Further, Section 112** of the Act provides the 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 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) 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.

7.5. **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.*

7.6. **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.

7.7. **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.

7.8. 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.*

8. OUTCOME OF THE INVESTIGATION:

8.1. As discussed in foregoing paras, it appears that the goods imported and covered under Bill of Entry No. 2401178 dated 31.05.2025 have been mis-declared in terms of valuation by the said importer.

8.2. The goods were examined by the Officers of SIIB, Mundra under Panchnama dated 15.06.2025 at the premises of M/s. Saurashtra CFS Mundra in the presence of Shri Nirmal Gadhvi, H Card Holder (Card No. CHM/H/94/2022-23) authorized representative of CB i.e. M/s Unique Speditorer Private Limited and Shri Ishwar Goswami, Executive Operations of the Saurashtra CFS, Mundra.

During the examination, the goods declared in the said BE was found mis-declared in terms of valuation. However, the quantity was found as declared in Bill of Entry. Prima

Facie, it appears that the said goods fall under the purview of BIS as per IS 13983:1994. Further, the goods appear highly undervalued.

Accordingly, the goods were seized vide Seizure Memo dated 20.08.2025 and handed over to the concerned CFS vide Supurtanama dated 20.08.2025.

8.3. As per inspection report valuation opinion of Govt. Approved empanelled Chartered Engineer provided vide Report Ref: CUS/617/2025-26 dated 12.12.2025, it appears that goods imported vide Bill of Entry No. 2401178 dated 31.05.2025 filed by M/s KDK Overseas, Plot No.4, Dharma Gold Industrial Estate, Lalpar Revenue Survey No. 39 P1 and 39 P2, Lalpar, Morbi, Gujarat-363642 has been under-valued. The CE re-determined the value of the goods as Rs. 36,83,220/- instead of declared value of Rs. 15,34,913/-.

8.4. From the **Table V above**, it appears that the total duty liability of the importer is Rs. 11,38,881/- (Rs. Eleven lakh thirty eight thousand eight hundred eighty one only). The importer in the BE No. 2401178 dated 31.05.2025, has declared the value of the goods as Rs. 15,34,913/- 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. 4,74,914/-. Based on the calculations from Table V of Para 6.1 and Para 6.2, the importer is required to pay/levy a differential liability of Rs. **6,63,967/-** (Rs. Six lakh sixty three thousand nine hundred sixty seven only) on the mis-declared/undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the mis-declaration of goods if the goods were released for Home Consumption by adjudicating authority.

8.5. The imported goods i.e. Stainless Steel Kitchen Sink with accessories found during the examination were falls under the compulsory registration with BIS as per IS No. 13983:1994. However, later DPIIT vide its order dated 22.08.2025 has supersede the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2024 and extended the applicability of BIS by 01.10.2025 vide Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025. So, from the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025 it clearly appears that the said order is not applicable on the goods of current consignment. Further, explanation was also sought from DPIIT via mail and they submitted that QCO was not applicable on the said products in the intervening period.

8.6. Further, it is also found that the goods found undervalued imported vide Bill of Entry No. 2401178 dated 31.05.2025 having re-determined valued at total **Rs. 36,83,220/-**. In view of the above, it appears that the said goods are liable for confiscation under the provisions of Section 111(m) of the Customs Act, 1962 and thus

has also rendered themselves liable for penal action under Section 112(a)(ii) of the Customs Act, 1962.

9. WAIVER OF SHOW CAUSE NOTICE AND PERSONAL HEARING: -

The importer vide letter dated 07.01.2025 has submitted that they are agreed with the valuation opined by the Chartered Engineer in his report and they do not want any SCN and PH in the matter. In addition to that, importer has given reference to several case laws in support of the fact that re-determination of the value can not be equated with mis-declaration, as the two operate on distinct legal spheres. Accordingly, the re-determination of value in the present case cannot be construed as mis-declaration attracting penalties under the Customs Act, 1962.

10. DISCUSSION AND FINDINGS:

I have carefully gone through the records of the case, investigation report dated 02.12.2025, Valuation report by empanelled Chartered Engineer and the applicable provisions of law. The importer, M/s. KDK Overseas, vide letter dated 07.01.2026 has requested for waiver of Show Cause Notice and Personal hearing. Thus, the principles of Natural justice as provided in 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 records. The issues to be decided by me are:

- (i) Whether the declared value of the goods imported under Bill of Entry No. 2401178 dated 31.05.2025, i.e. **Rs. 15,34,913 /-** is liable to be rejected, under Rule 12 of the CVR, 2007 and required to be re-determined as **Rs. 36,83,220/-** 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. 2401178 dated 31.05.2025 needs to be re-assessed with the differential duty of **Rs. 6,63,967/-** under Section 17(4) of the Customs Act, 1962.
- (iii) Whether the goods imported under Bill of Entry No. 2401178 dated 31.05.2025 found during the examination having determined value of **Rs. 36,83,220/-** is liable for confiscation under Section 111(m) of the Customs Act, 1962.
- (iv) Whether the importer M/s KDK Overseas is liable for penalty under Section 112 (a)(ii) of the Customs Act, 1962.

11. Regarding the first issue, I find that M/s KDK Overseas, vide Bill of Entry No. 2401178 dated 31.05.2025, attempted to clear goods i.e. Stainless Steel Kitchen Sink, Sink Accessories pipe Basket and Ceiling Basin Mixer. Further, I find that inconsistency observed in filing of the Bill of Entry suggests deliberate Undervaluation of the goods. The declared value of the goods is liable to be determined in terms of Rule 12. As 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.

12. 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. 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. 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.

13. 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 report ref no. Cus/617/2025-26 dated 12.12.2025 has suggested the valuation of the imported goods. The chartered engineer, empanelled by the government, determined the fair value of the goods to be Rs. 36,83,220/- (Rs. Thirty Six Lakh Eighty Three Thousand Two Hundred Twenty only) in contrast to the declared assessable value as Rs. 15,34,913/-. In view of

above, the declared value of the goods, i.e. Rs. 15,34,913/-, is liable to be rejected and the same needs to be re-determined as Rs. 36,83,220/- as mentioned above in Table-IV.

14. Regarding the second issue, 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. 6,63,967/- under Section 17(4) of the Customs Act, 1962. I find that from the above discussion, it is evident that the importer has undervalued/mis-declared the imported goods to evade payment of duties and taxes by. As per valuation done by the Chartered Engineer, empanelled by the Government, the fair value of the goods amounts to be Rs. 36,83,220/- in contrast to the declared assessable value as Rs. 15,34,913/-, resulting in the duty difference of Rs. 6,63,967/-. The duty liability for the imported goods as per re-determined value is ascertained. Therefore, I find that the self assessment done by importer is liable for rejection and re-assessment of the Bill of Entry should be done under Section 17(4) of the Customs Act, 1962.

15. Regarding the third issue, I find that the importer has undervalued the goods.

The imported goods i.e. Stainless Steel Kitchen Sink with accessories found during the examination were falls under the compulsory registration with BIS as per IS No. 13983:1994. However, later DPIIT vide its order dated 21.08.2025 has supersede the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2024 and extended the applicability of BIS by 01.10.2025 vide Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025. So, vide the Quality Control order for Cookware, Utensils and Cans for Food and Beverages, 2025, it clearly appears that the said order is not applicable on the goods of current consignment. Further, explanation was also sought from DPIIT via mail and they submitted that QCO was not applicable on the said products in the intervening period. Therefore, importer's acts of undervaluation of the goods, rendered the goods undervalued, with a re-determined assessable value of INR 36,83,220/- under Bill of Entry No. 2401178 Dated 31.05.2025, liable for confiscation under Section 111(m) of the Customs Act, 1962.

16. Regarding the fourth issue, the importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. I find that From the above

discussion, it appears that the importer has intentionally undervalued the goods to evade Customs Duty, which leads to confiscation of dutiable goods u/s 111(m) of the Customs Act, 1962 and the importer has rendered themselves liable for penalty under Section 112(a)(ii) of the Customs Act, 1962.

17. In view of the facts above, I pass the following order.

ORDER

(i) I order to reject the declared total assessable value of goods as Rs. 15,34,913/-, of the Bill of Entry No. 2401178 dated 31.05.2025 and order to re-determine the value of the goods as Rs. 36,83,220/-.

(ii) I Order to re-assess the Bill of Entry 2401178 dated 31.05.2025 with differential duty of Rs. 6,63,967/- under section 17(4) of the customs Act, 1962.

(iii) I order to confiscate the imported goods of re-determined assessable value 36,83,220/- under Section 111(m) of the Customs Act, 1962. However, I give the importer an option under provision of Section 125(1) of the Customs Act, 1962, to redeem the said goods on payment of redemption fine of **Rs. 3,50,000/- (Rupees Three Lakh Fifty Thousand only)**.

(iv) I impose a penalty of **Rs. 60,000/- (Rupees Sixty Thousand only)** on M/s. KDK Overseas u/s. 112 (a)(ii) of the Customs Act, 1962.

18. This Order-in-Original is issued without prejudice to any other action that may be taken against the importer under the Customs Act, 1962 or any other law for the time being in force.

Additional Commissioner of Customs

Import Assessment

Custom House, Mundra

To,

**M/s. KDK Overseas, (IEC: AAZFK6954A)
Plot No.4, Dharma Gold Industrial Estate,
Lalpar Revenue Survey No. 39 P1 and 39 P2,
Lalpar, Morbi, Gujarat 363642,**

Copy to:-

1. The Addl. Commissioner (PCA), Custom House, Mundra.
2. The Assistant Commissioner (RRA/TRC/EDI), Custom House, Mundra.
3. Guard File