

		<b>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, एमपी और एसईजेड, मुंद्रा, कच्छ-गुजरात -370421</b> <b>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, MP &amp; SEZ MUNDRA, KUTCH-GUJARAT</b> <b>EMAIL: group1-mundra@gov.in</b>	
A	File No.	CUS/APR/1497/2026-Gr.3-O/o Pr	Commr-Cus-Mundra
B	Order-in-Original No.	<b>MCH/ADC/ZDC/17/2026-27</b>	
C	Passed by	<b>Dipak Zala</b> Additional Commissioner of Customs, Custom House, Mundra.	
D	Date of order	<b>09.04.2026</b>	
E	Noticee/Party/Importer	M/s. Ace Electro Trade (IEC: DDNPA0326N)	
F	DIN No.	<b>20260471MO000000AFDF</b>	

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 3 के साथ पठित सीमा शुल्क 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 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-380 009”  
“THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA  
Having his office at 4<sup>th</sup> Floor, HUDCO Building, Ishwar Bhuvan Road,  
Navrangpura, Ahmedabad-380 009.”

3. उक्त अपील यह आदेश 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 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, सीमा शुल्क (अपील) नियम, 1982 और सीमा शुल्क 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.

### **BRIEF FACTS OF THE CASE**

M/s Ace Electro Trade (IEC-DDNPA0326N), having its registered office at

Lower Ground Floor, Bearing No. 3705-06 and 3718-19, Gali No. 17, Hardhyan Singh Road, Karol Bagh, New Delhi, Central Delhi, Delhi-110005 (hereinafter referred to as “the Importer” for sake of brevity) has imported a consignment as tabulated above (hereinafter referred to as “the impugned Goods”) at Mundra Port vide Z-Bill of Entry No. 5647411 dated 12.11.2025. The examination of the above said consignment was carried out by the officers of SIIB and CIU on 18.12.2025 in the presence of the importer’s authorized representative under Panchnama dated 18.12.2025 drawn at the premises of M/s Shoolin Trade Link LLP, APSEZ, Mundra (Kachchh). The details of the goods as declared in the said Bill of Entry are as follows:

**Table-I**

Sr. No.	CTH	Description	Ctns	Pcs	Unit
1	85183019	Bluetooth Wireless Earphone(BIS No.- R-41187810)	19	8500	PCS
2	85151900	De-soldering Wick for Mobile Repair Use	15	800	PCS
3	85151900	Soldering Tips for Mobile Repair Use		100	PCS
4	85181000	External Mini Collar Mic for Mobile (BIS No. R-41253235)	3	288	PCS
5	85444999	Mini Cable for Earphone	22	11000	PCS
6	85369090	Mini Connector for Charger (Raw Material for Charger)	1	300	PCS
7	90118000	Mini Magnifying Device for Microscope (Mobile Repair Use)	2	50	PCS
8	39269099	Packing Material for Mobile Accessories (More than 100 Micron)	1077	898500	PCS
9	39269099	Plastic Back Stickers for Mobile Back Covers	25	24460	PCS
10	85131010	Plastic Mini Torch (BIS No. R-41194760)	266	40000	PCS
11	82032000	Pliers for Mobile Repair Use	4	1000	PCS
12	70072190	Screen Protector (50600 PCS)	210	1689	KGS
13	39269099	Silicon Pads for Mobile Repair Use	2	300	PCS
14	82034090	Single Tweezers for Mobile Repair Use	3	1500	PCS
15	38101010	Soldering Paste for Mobile Repair Use	30	9020	PCS
16	84798999	Touch Pad Bubble Remover Machine	10	60	PCS
17	85183020	Wired Earphone	52	77500	PCS

2. **Weighment and Examination of the goods:**

The officer of SIIB and CIU section, CH Mundra, conducted the examination of the impugned goods stuffed into the container no. TIIU4257835 covered under the Z-Bill of Entry No. 5647411 dated 12.11.2025 under Panchnama dated 18.12.2025. Before examination the weighment of the cargo was cross checked with weighment slip provided by the SEZ unit. The details of the weighment of the goods are as follows:

**Table-II**

Sr.	Bill of Entry no.	Container No.	B/L	Cargo Weight as per
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NO.	and Date		weight (Kg)	SEZ Unit weighment slip(Kg)
1	5647411 dated 12.11.2025 (Z type)	TIIU4257835	18050	21630

2.1. During the course of examination of the impugned goods, after complete de-stuffing the goods were examined by the officers. The complete details of the goods found during examination are as below:

**Table-III**

Sr. No.	Description	No of Cartons	Pcs per carton	Total Quantity (in Pcs)	Remarks
1	Bluetooth Wireless Earphone(BIS No.-R-41187810)	19		<b>8500</b>	
2	De-soldering Wick for Mobile Repair Use	3	<b>(2*300+1*200)</b>	<b>800</b>	
3	Soldering Tips for Mobile Repair Use	5	<b>250</b>	<b>1250</b>	<b>Excess Quantity Found</b>
4	External Mini Collar Mic for Mobile (BIS No. R-41253235)	3	<b>96</b>	<b>288</b>	
5	Mini Cable for Earphone	2	<b>5500</b>	<b>11000</b>	
6	Mini Connector for Charger (Raw Material for Charger)	1	<b>300</b>	<b>300</b>	
7	Mini Magnifying Device for Microscope (Mobile Repair Use)	2		<b>31</b>	
8	Packing Material for Mobile Accessories (More than 100 Micron)	0	<b>0</b>	<b>0</b>	<b>NOT Found</b>
9	Plastic Back Stickers for Mobile Back Covers	11		<b>24460</b>	
10	Plastic Mini Torch (BIS No. R-41194760)	175		<b>40000</b>	
11	Pliers for Mobile Repair Use	4	<b>2500</b>	<b>1000</b>	

12	Screen Protector (50600 PCS)	1361	500	680500	Excess quantity found. Average Weight of One Box is 11.98 Kg
13	Silicon Pads for Mobile Repair Use	2	150	300	
14	Single Tweezers for Mobile Repair Use	3	500	1500	
15	Soldering Paste for Mobile Repair Use	13	400	5200	Short Quantity Found
16	Touch Pad Bubble Remover Machine	10	6	60	
17	Wired Earphone	31	2500	77500	
	Total	1645			

Further, on examination of the goods, the officer prima facie noticed that the goods were mis-declared by the importer in respect of Description, weighment and quantity. Further, the importer has also mis-declared quantity of some of the declared goods. The importer has declared total 17 items in the BE and the goods found during the examination are in different marking, packing and quantity and the same is tabulated above in Table-III. The item declared at Sr. 8 of the above said BE was not found in examination. Total 16 items were found during the examination.

### 3. **Classification of the Goods:**

The importer has declared 17 items in the said BE. However, during the course of examination, the goods were found mis-declared in terms of description and quantity and total 16 items were found. The details of all the goods with declared/re-determined CTH is as follows:

**Table-IV**

Sr. No.	Goods found during examination	Declared CTH	Re-determined CTH
1	Bluetooth Wireless Earphone(BIS No.-R-41187810)	85183019	85183019
2	De-soldering Wick for Mobile Repair Use	85151900	85151900
3	Soldering Tips for Mobile Repair Use	85151900	85151900
4	External Mini Collar Mic for Mobile (BIS No. R-41253235)	85181000	85181000
5	Mini Cable for Earphone	85444999	85444999
6	Mini Connector for Charger (Raw Material for Charger)	85369090	85369090
7	Mini Magnifying Device for Microscope (Mobile Repair Use)	90118000	90118000

8	Plastic Back Stickers for Mobile Back Covers	39269099	39269099
9	Plastic Mini Torch (BIS No. R-41194760)	85131010	85131010
10	Pliers for Mobile Repair Use	82032000	82032000
11	Screen Protector (50600 PCS)	70072190	70071900
12	Silicon Pads for Mobile Repair Use	39269099	39269099
13	Single Tweezers for Mobile Repair Use	82034090	82032000
14	Soldering Paste for Mobile Repair Use	38101010	38101010
15	Touch Pad Bubble Remover Machine	84798999	84798999
16	Wired Earphone	85183020	85183020

#### **Valuation of the Goods:**

4. Further, as goods found during examination in the subject Bill of Entry were mis-declared in terms of Description and quantity. Therefore, value of the goods needs to be determined.

#### **4.1. Rejection of declared value & Redetermination of Assessable Value:**

The Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "*the CVR, 2007*") provides the method of valuation. The Rule 3(1) of the CVR, 2007 provides that "Subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10. The Rule 3(4) *ibid* states that "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 of CVR, 2007". Whereas, it appears that, transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Whereas, it further appears that, there is a reasonable doubt regarding the truth and accuracy of the value declared by the importer, and hence it appears liable to be rejected in terms of Rule 12 of the CVR, 2007.

4.2. Whereas, it appears that, if actual transaction value which means price paid or payable cannot be ascertained on the basis of Rule 3 of the CVR, 2007, the value shall be decided proceeding to subsequent rules. Thus, recourse is to be taken to the Rule 9 of the CVR, 2007 which provides for determination of value where the value of the imported goods cannot be determined under the provisions of the 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.

4.3. Whereas, it appears that, the value of the impugned goods could not be determined under Rule 4 and 5 *ibid* since the goods have been un-declared/mis-declared by means of description, the value of contemporaneous imports of identical and similar goods of same quality and composition was not found. Proceeding sequentially, it is stipulated under Rule 6 *ibid* that where the value is not determinable under Rule 3, 4 and 5, the value is to be determined under Rule 7 or when the value cannot be determined under that Rule, under Rule 8. Whereas, Rule 7 provides for 'Deductive Value' i.e. the value is to be determined on the basis of valuation of identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions stipulated under the rule. Whereas, for the reasons detailed above, the values also cannot be determined as per the said Rule 7 *ibid*. Likewise, for application of Rule 8 of the CVR, 2007, the cost of production or processing involved in the imported goods are not available. In the absence of requisite data, the value cannot be determined by taking recourse to these rules either.

4.4. Whereas, it appears that, the provisions of Rule 4 to 8 *ibid*, are not applicable in the instant case, the value of the impugned goods is required to be determined under the provisions of Rule 9 of the CVR 2007, which reads as under:

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*"Rule 9: Residual method – (1) Subject to the provisions of Rule 3, where the value of the 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:"*

4.5. Whereas, as per the provisions of Rule 9 *ibid*, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 *ibid*, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference no. ABJ:INSP:CE:SIIB:SH:ACE:25-26:32 dated 31.01.2026 wherein, he has reported the value of the cargo as tabulated below:

**Table-V**

<b>Sr. no.</b>	<b>Item</b>	<b>Unit</b>	<b>Quantity found on examination in PCS/KGS</b>	<b>Suggestive value per PCS in USD</b>	<b>Suggestive Present CIF value in USD</b>	<b>Suggestive Present CIF value in INR (1 USD= 89.5 INR)</b>
1	Bluetooth Wireless Earphone(BIS No.-R-41187810)	PCS	8500	0.4	3400	304300
2	De-soldering	PCS	800	0.03	24	2148

	Wick for Mobile Repair Use					
3	Soldering Tips for Mobile Repair Use	PCS	1250	0.03	37.5	3356
4	External Mini Collar Mic for Mobile (BIS No. R-41253235)	PCS	288	0.1	28.8	2578
5	Mini Cable for Earphone	PCS	11000	0.015	165	14768
6	Mini Connector for Charger (Raw Material for Charger)	PCS	300	0.015	4.5	403
7	Mini Magnifying Device for Microscope (Mobile Repair Use)	PCS	31	0.15	4.65	416
8	Plastic Back Stickers for Mobile Back Covers	PCS	24460	0.006	146.76	13135
9	Plastic Mini Torch (BIS No. R-41194760)	PCS	40000	0.05	2000	179000
10	Pliers for Mobile Repair Use	PCS	1000	0.02	20	1790
11	Screen Protector (50600 PCS)	PCS	680500	0.09	61245	5481428
12	Silicon Pads for Mobile Repair Use	PCS	300	0.03	9	806
13	Single Tweezers for Mobile Repair Use	PCS	1500	0.035	52.5	4699
14	Soldering Paste for Mobile Repair Use	PCS	5200	0.02	104	9308
15	Touch Pad Bubble Remover Machine	PCS	60	12.3	738	66051
16	Wired	PCS	77500	0.025	1937.5	173406

	Earphone					
Total				69917.21	62,57,590/-	

4.6. Whereas, it appears that, the assessable value of Rs. 9,13,306/- declared by the importer in the Z-Bill of Entry No. 5647411 dated 12.11.2025 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 62,57,590/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

#### 5. **Importability and Policy Compliance:**

All the goods found during the examination are freely importable after paying of applicable Customs Duty except the goods mentioned at Sr. No. 1, 4 and 9 of Table-IV. The goods mentioned at Sr. No. 1, 4 and 9 falls under mandatory requirements of BIS. The goods mentioned at Sr. No. 1 also falls under purview of WPC/ETA approval.

5.1. The importer has produced BIS certificate no. R-41187810, R-41253235 and 41194760 for the goods mentioned at Sr. No. 1, 4 and 9 of Table-IV and the same is also verified from BIS App. The importer has also produced ETA Approval No. ETA-SD-20230908242 for the said goods mentioned at Sr. No. 1.

5.2. The importer has also submitted EPR Registration Certificate No. B-29016(2755)(EPR)/23/WM-III dated 25.05.2023. The importer has also produced CPCB Registration No. IM-18-000-08-DDNPA0326N-23 dated 18.08.2023 for the all plastic goods.

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

On the basis of re-determined value of the goods in above Table-V, duty leviable on goods imported vide B/E No. 5647411 dated 12.11.2025 is being re-calculated for the goods which will be released for Home Consumption. The re-calculated leviable duty is as under: -

**Table-VI**

Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 20%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
1	Bluetooth Wireless Earphone(BIS No.-R-41187810)	85183019	8500	304300	60860	6086	66824	133770
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 10%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.

2	De-soldering Wick for Mobile Repair Use	85151900	800	2148	215	21	429	665
3	Soldering Tips for Mobile Repair Use	85151900	1250	3356	336	34	671	1040
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 15%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
4	External Mini Collar Mic for Mobile (BIS No. R-41253235)	85181000	288	2578	387	39	541	966
5	Mini Cable for Earphone	85444999	11000	14768	2215	222	3097	5533
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 10%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
6	Mini Connector for Charger (Raw Material for Charger)	85369090	300	403	40	4	80	125
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 7.5%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
7	Mini Magnifying Device for Microscope (Mobile Repair Use)	90118000	31	416	31	3	81	115
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 15%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
8	Plastic Back Stickers for Mobile Back Covers	39269099	24460	13135	1970	197	2754	4922
Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 10%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
9	Plastic Mini Torch (BIS No. R-41194760)	85131010	40000	179000	17900	1790	35764	55454
10	Pliers for Mobile Repair Use	82032000	1000	1790	179	18	358	555
11	Screen	70071900	680500	5481428	548143	54814	1095189	1698146

Sr. no.	Item Description	Declared/ Re-determined CTH	Total Qty found during examination in PCS	Suggestive Present CIF value(as per CE) in Rs.	BCD @ 15%	SWS @ 10%	IGST @ 18%	Total applicable Duty in Rs.
12	Silicon Pads for Mobile Repair Use	39269099	300	806	121	12	169	302
13	Single Tweezers for Mobile Repair Use	82032000	1500	4699	470	47	939	1456
14	Soldering Paste for Mobile Repair Use	38101010	5200	9308	698	70	1814	2582
15	Touch Pad Bubble Remover Machine	84798999	60	66051	4954	495	12870	18319
16	Wired Earphone	85183020	77500	173406	34681	3468	38080	76229
Total				6257590	673200	67320	1259660	20,00,179/-

The total re-determined value of the goods releasable for Home Consumption comes to Rs. 62,57,590/- and the total re-determined Duty for the said releasable goods comes to Rs. 20,00,179/- instead of the declared duty for the same i.e. Rs. 3,09,431/-. The differential duty of said releasable goods comes to Rs. 16,90,748/-.

#### 7. **Outcome of the Investigation:**

The investigation conducted by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra, based on the special intelligence, revealed significant irregularities in the import consignment of M/s. Ace Electro Trade, Lower Ground Floor, Bearing No. 3705-06 and 3718-19, Gali No. 17, Hardhyan Singh Road, Karol Bagh, New Delhi, Central Delhi, Delhi-110005 (IEC: DDNPA0326N), under Z-Bill of Entry No. 5647411 dated 12.11.2025, covering container TIIU4257835. The examination conducted on 18.12.2025, which uncovered deliberate mis-declaration, undervaluation indicating an intent to evade

Customs duties and violate import regulations. The outcomes of the investigation are as follows:

### 7.1. **Examination of the Goods:**

The officer of SIIB section, CH Mundra, conducted the examination of the impugned goods stuffed into the container no. TIIU4257835 covered under the Z-Bill of Entry No. 5647411 dated 12.11.2025 under Panchnama dated 18.12.2025. During the course of examination of the impugned goods, after complete de-stuffing, goods were found in Corrugated Boxes and PP Bags. Further, on examination of the goods, the officer prima facie noticed that the goods were mis-declared by the importer in respect of Description and quantity.

### 7.2. **Classification of the Goods:**

The importer has declared 17 items in the said BE. However, during the course of examination, the goods were found mis-declared in terms of description and quantity. The undeclared goods were also found during examination. The details of all the goods with declared/re-determined CTH is as follows:

Sr. No.	Goods found during examination	Declared CTH	Re-determined CTH
1	Bluetooth Wireless Earphone(BIS No.-R-41187810)	85183019	85183019
2	De-soldering Wick for Mobile Repair Use	85151900	85151900
3	Soldering Tips for Mobile Repair Use	85151900	85151900
4	External Mini Collar Mic for Mobile (BIS No. R-41253235)	85181000	85181000
5	Mini Cable for Earphone	85444999	85444999
6	Mini Connector for Charger (Raw Material for Charger)	85369090	85369090
7	Mini Magnifying Device for Microscope (Mobile Repair Use)	90118000	90118000
8	Plastic Back Stickers for Mobile Back Covers	39269099	39269099
9	Plastic Mini Torch (BIS No. R-41194760)	85131010	85131010
10	Pliers for Mobile Repair Use	82032000	82032000
11	Screen Protector (50600 PCS)	70072190	70071900
12	Silicon Pads for Mobile Repair Use	39269099	39269099
13	Single Tweezers for Mobile Repair Use	82034090	82032000
14	Soldering Paste for Mobile Repair Use	38101010	38101010
15	Touch Pad Bubble Remover Machine	84798999	84798999
16	Wired Earphone	85183020	85183020

### 7.3. **Valuation of the Goods:**

Whereas, as per the provisions of Rule 9 *ibid*, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 *ibid*, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Er. Ajayrajsinh B. Jhala, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference no. ABJ:INSP:CE:SIIB:SH:ACE:25-26:32 dated 31.01.2026. It appears that, the assessable value of Rs. 9,13,306/- declared by the importer in the Z-Bill of Entry No. 5647411 dated 12.11.2025 is liable to be rejected in terms of Rule 12 of the CVR, 2007. Whereas, further it appears that, the assessable value of the cargo covered under said Bill of Entry is required to be taken as Rs. 62,57,590/- on the basis of valuation report submitted by the CE for the purpose of valuation under provisions of Rule 9 of the CVR, 2007 read with note 2 of the interpretative notes for Rule 9 of the CVR, 2007.

#### **7.4. Importability and Policy Compliance:**

All the goods found during the examination are freely importable after paying of applicable Customs Duty except the goods mentioned at Sr. No. 1, 4 and 9 of Table-IV. The goods mentioned at Sr. No. 1, 4 and 9 falls under mandatory requirements of BIS. The goods mentioned at Sr. No. 1 also falls under purview of WPC/ETA approval.

5.1. The importer has produced BIS certificate No. R-41187810, R-41253235 and 41194760 for the goods mentioned at Sr. No. 1, 4 and 9 of Table-IV and the same is also verified from BIS App. The importer has also produced ETA Approval No. ETA-SD-20230908242 for the said goods mentioned at Sr. No. 1.

5.2. The importer has also submitted EPR Registration Certificate No. B-29016(2755)(EPR)/23/WM-III dated 25.05.2023. The importer has also produced CPCB Registration No. IM-18-000-08-DDNPA0326N-23 dated 18.08.2023 for the all plastic goods.

#### **7.5. Re-determination of Duty:**

The total re-determined value of the goods releasable for Home Consumption comes to Rs. 62,57,590/- and the total re-determined Duty for the said releasable goods comes to Rs. 20,00,179/- instead of the declared duty for the same i.e. Rs. 3,09,431/-. The differential duty of said releasable goods comes to Rs. 16,90,748/-.

#### **7.6. Confiscation of Goods and Penal Action:**

In view of the above, it is evident that the importer, M/s. Ace Electro Trade, has imported the goods covered under Bill of Entry No. 5647411 dated 12.11.2025 by way of mis-declaration in quantity, description and classification. Therefore, the goods imported vide said BE are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962. The importer's actions indicate an intent to evade customs duty, violating Section 46(4) of the Customs Act, 1962 (false declaration in Bill of Entry). Consequently, the importer is liable for penalties under Sections

112(a)(ii) and 114AA of the Customs Act, 1962, for knowingly submitting false documents and attempting to evade duties.

## **8. RELEVANT LEGAL PROVISIONS:**

### **(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:**

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

.....

(o) “**import**” means—

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

(ii) *receiving goods, or services by a Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;*

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

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

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

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

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

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

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

1. *In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government by Notification No. 2667(E) dated 05.08.2016 issued by the Ministry of Commerce & Industry, has authorized the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) to be the enforcement officer(s) in*

respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned. Under Section 21(1) of the SEZ Act, 2005, the Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.

2. The Central Government, by the Notification 2665(E) dated 05.08.2016 has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111, 113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.

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

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

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

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

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

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

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

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

**Section 17. Assessment of duty. –**

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

..

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

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

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

**(4A)** *the importer who presents a Bill of Entry shall ensure the following, namely:*

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

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

**(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;*

**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. *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:*

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

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

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

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

.....

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

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

*Provided that .....*

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

**Rule 7. Deductive value.-**

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

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

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

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

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

(3) (a) *If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing,*

are sold in the greatest aggregate quantity to persons who are not related to the seller in India.

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

**Rule 8. Computed value.-**

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

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

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

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

**Rule 9. Residual method:-**

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

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

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

9. In view of the above facts and discussion, it appears that –

- i. The declared description, weighment, quantity, No. of items and classification of the goods imported vide Z-Bill of Entry No. 5647411 dated

- 12.11.2025, filed by the Importer M/s. Ace Electro Trade, are liable to be rejected and the same needs to be re-determined as per above discussion.
- ii. The total declared assessable value of Rs. 9,13,306/- for the goods under Z-Bill of Entry No. 5647411 dated 12.11.2025 is liable to be rejected and re-determined as Rs. 62,57,590/- 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. The Bill of Entry no. 5647411 dated 12.11.2025 need to be re-assessed under Section 17(4) of The Customs Act, 1962 with re-determined duty, classification, weightment, quantity and description as discussed in above paras.
  - iv. The goods imported vide Bill of Entry no. 5647411 dated 12.11.2025 having re-determined value of Rs. 62,57,590/- are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.
  - v. The importer, M/s. Ace Electro Trade (IEC: DDNPA0326N), is liable for penalties under Sections 112(a)(ii), and 114AA of the Customs Act, 1962.
10. The importer vide email dated 03.02.2026 has requested for waiver of SCN and PH in the instant case and accepted the CE valuation. Accordingly, necessary adjudication proceeding/action may be initiated in respect of the said Bill of Entry as per the Customs Act, 1962. Further, the concerned group may ask SCN/PH waiver letter at their end. Outcome of the recoveries made may please be intimated to this office.

### **DISCUSSION AND FINDING**

**11.** I have carefully gone through the Investigation report and I find that the Importer already waived the right of SCN and Personal hearing requesting that they do not want any show cause notice and personal hearing. Therefore, I find that the principle of natural justice as provided in section 122A of the Customs Act, 1962 has been completed. Hence I proceed to decide the case on the basis of the documentary evidence available on records.

**12.** On going through the facts of the case, I find that the following issues needed to be decided in the present proceedings:

- (i) Whether The declared description, weightment, quantity, No. of items and classification of the goods imported vide Z-Bill of Entry No. 5647411 dated 12.11.2025 is liable to be rejected and re-determined or otherwise.
- (ii) Whether the assessable value of these imported goods is liable to be rejected and be re-determined 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) Whether the Customs duty involved in the imported goods is liable to be re-determined instead of as declared in the Bills of Entry.
- (iv) Whether the said Bill of Entry is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962;
- (v) Whether the impugned goods are liable for confiscation under Section 111(l) and Section 111(m) of the Customs Act, 1962
- (vi) Whether the importer is liable for Penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962;

**12.1** I find that the present case pertains to import of “Misc. Items” by M/s Ace Electro Trade wherein discrepancies have been noticed in respect of description, quantity, weight, classification and value of the goods. I find that the importer had filed Z-Bill of Entry declaring 17 different items, as detailed under Table-I above. However, upon detailed examination conducted by SIIB and CIU officers on 18.12.2025 under Panchnama, the actual goods found in the container were different from those declared. I note that only 16 items were physically found during examination (as detailed under Table-IV above) and one declared item i.e. “Packing Material for Mobile Accessories (More than 100 Micron)” was not found at all. This clearly establishes that the declaration made in the Bill of Entry was incorrect.

**12.2** I further find that there were substantial discrepancies in quantity of several goods. The quantity of “Soldering Tips for Mobile Repair Use” was found to be 1250 pieces as against 100 pieces declared, which shows excess quantity. Similarly, “Screen Protectors” were found in huge excess quantity of 6,80,500 pieces as against declared 50,600 pieces (declared in KGS). On the other hand, certain goods such as “Soldering Paste for Mobile Repair Use” were found short (5200 pieces found against 9020 declared), and “Mini Magnifying Device” was found only 31 pieces against declared 50 pieces. These inconsistencies clearly indicate deliberate manipulation of quantity. The goods found during the examination are as per Table-III above and same are not repeated here for the sake of brevity. I also find that the weight as per Bill of Lading was 18,050 Kg whereas the actual weight as per SEZ weighment slip was 21,630 Kg, showing excess of 3,580 Kg.

### **13. Classification of the goods:**

On the issue of classification, I find that although most of the goods were correctly classifiable under the declared headings, certain items were misclassified. For instance, “Screen Protectors” were declared under CTH 70072190 but are correctly classifiable under CTH 70071900. Similarly, “Single Tweezers” were declared under CTH 82034090 but are more appropriately classifiable under CTH 82032000. I also find that the Importer, during the investigation, have agreed with the outcome of the findings of the investigation. As per GIR-1, *“The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or*

Notes do not otherwise require, according to the following provisions." Further, it is a settled position that the specific heading will prevail over general heading. I find that these goods are specifically found to be mentioned in the tariff entries, hence, are rightly classifiable under the CTH per below table:

**TABLE-A**

Sr. No.	Goods found during examination	Declared CTH	Re-determined CTH
1	Bluetooth Wireless Earphone(BIS No.-R-41187810)	85183019	85183019
2	De-soldering Wick for Mobile Repair Use	85151900	85151900
3	Soldering Tips for Mobile Repair Use	85151900	85151900
4	External Mini Collar Mic for Mobile (BIS No. R-41253235)	85181000	85181000
5	Mini Cable for Earphone	85444999	85444999
6	Mini Connector for Charger (Raw Material for Charger)	85369090	85369090
7	Mini Magnifying Device for Microscope (Mobile Repair Use)	90118000	90118000
8	Plastic Back Stickers for Mobile Back Covers	39269099	39269099
9	Plastic Mini Torch (BIS No. R-41194760)	85131010	85131010
10	Pliers for Mobile Repair Use	82032000	82032000
11	Screen Protector (50600 PCS)	70072190	70071900
12	Silicon Pads for Mobile Repair Use	39269099	39269099
13	Single Tweezers for Mobile Repair Use	82034090	82032000
14	Soldering Paste for Mobile Repair Use	38101010	38101010
15	Touch Pad Bubble Remover Machine	84798999	84798999
16	Wired Earphone	85183020	85183020

On the aspect of import policy compliance, I find that certain goods such as Bluetooth Wireless Earphones, External Mini Collar Mic and Plastic Mini Torch fall under mandatory BIS certification requirements and also require WPC/ETA approval in case of wireless devices. I note that the importer has produced valid BIS certificates and ETA approval, which have been verified. I also find that EPR and CPCB registrations have been submitted for plastic goods. Therefore, I hold that there is no violation of import policy conditions in respect of these goods.

**Valuation of the goods:**

**14.1** I find that the goods were found to be mis-declared in respect of description, quantity and classification. Thus, the value of goods declared by the importer in the

subject Bill of Entry does not appear to be true transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the Customs Valuation (determination of Value of Imported Goods) Rules, 2007. The Importer during the investigation, in principle, agreed with the valuation suggested by the Chartered Engineer/valuer. Thus, the declared value appeared to be not acceptable as transaction value and merits rejection in terms of Section 14 of Customs Act, 1962 read with Rule 12 of 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 Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. I find that Rule 3(1) of Rules 2007 provides that *“subject to rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of rule 10”*. Rule 3(4) *ibid* states that *“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 of Custom Valuation Rules, 2007”*.

**14.2** I find that Rule 4 (1) (a) of Rules 2007 stipulates determination of value of goods on the basis of value of identical goods. Rule 5, providing for transaction value of similar goods. I 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 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 same shall be determined under the provisions of Rule 7 or when 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 import goods. In such scenario, I find it appropriate to invoke the provisions of Rule 9 i.e. residual method for determining the value of the impugned import goods. Rule 9 provides for determination of value using reasonable means consistent with the principles and general provisions of these rules.

**14.3** I find that in absence of credible data of import of similar goods and other constraints the value of these goods cannot be determined in terms of Rule 4, 5, 6, 7, 8 of Customs Valuation Rules 2007. Hence, the value is to be determined in terms of Rule 9 of said rules. For the purpose of valuation, the Chartered Engineer submitted his report having ref no. ABJ:INSP:CE:SIIB:SH:ACE:25-26:32 dated 31.01.2026. 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 to 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 consider the value suggested by the Chartered

Engineer/valuer for the present shipments as Rs. 62,57,590/- as shown in Table-VI above. Accordingly, I find that the importer is liable to pay differential duty of Rs. 16,90,748/- by way of re-assessment under Section 17(4) of the Customs Act, 1962.

**15.** I find that the Show Cause Notice proposes confiscation of the imported goods under the provisions of Section 111 (l) and 111(m) of the Customs Act, 1962. From the above, it is clear that the importer, M/s Ace Electro Trade, has filed the Bill of Entry declaring 17 items with specific description, quantity, weight and value. However, the actual goods do not correspond with the declaration made in the Bill of Entry. I note that one of the declared items was not found at all during examination, while several other items were found in excess quantity, and certain goods were found short. I further find that there is a difference in the declared weight and the actual weight of the goods, and the goods were also found differently packed and marked. These facts clearly establish that the goods imported are not in accordance with the declaration made under Section 46 of the Customs Act, 1962. I further find that the excess quantity of goods found during examination, which were not declared or were mis-declared in the Bill of Entry, are liable for confiscation under Section 111(l) of the Customs Act, 1962, as they constitute goods which are not included or are in excess of those included in the entry made under the Act. I also find that the mis-declaration in respect of description, quantity, weight, classification and value renders the goods liable for confiscation under Section 111(m) of the Customs Act, 1962, as the goods do not correspond with the particulars declared in the Bill of Entry.

**16.** As the impugned goods are found to be liable for confiscation under Section 111 of the Customs Act, 1962, I find it necessary to consider as to whether redemption fine under Section 125 of Customs Act, 1962, is liable to be imposed in lieu of confiscation in respect of the impugned goods. The Section 125 ibid 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 1[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.”*

A plain reading of the above provision shows that imposition of redemption fine is an option in lieu of confiscation. It provides for an opportunity to owner of confiscated goods for release of confiscated goods by paying redemption fine where there is no restriction on policy provision for domestic clearance. I find that there is no post clearance policy restriction on the imported goods, hence, an option to the Importer may be given for clearance of the goods for home consumption on payment of redemption fine.

**17.** From the above, it is evident that the importer has mis-declared the goods in respect of classification, description and value. The charges have been agreed by the Importer during the investigation period. These acts on the part of the Importer rendered the goods liable for confiscation under the provisions of the Section 111 of the Customs Act and also made them liable for penalty under **Section 112(a)(ii)** of the Customs Act, 1962.

**18.** I find that after introduction of self-assessment vide Finance Act, 2011, the onus lies on the importer for making true and correct declaration in all aspects in the Bill of Entry and to pay the correct amount of Duty. In terms of Section 17 & 46 (4) of the Customs Act, 1962, the importers are required to make a declaration as to the truth of the contents of the Bill of Entry submitted for assessment of Customs duty. I find that the importer has filed bill of entry with the documents which were later on found false/incorrect in respect of classification, description and value. These documents were submitted before the Customs Authority for clearance of goods. Importer knowingly and intentionally made/signed/used and/or caused to be made/signed/used the documents of their company for import of the offending goods having false and incorrect material particular, therefore I hold that the Importer is liable for penalty under **Section 114AA** of the Customs Act, 1962

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

**ORDER**

- i. I order to reject the declared quantity & description and order to re-determine the same to as per Table-III above.
- ii. I reject the declared classification of the goods imported vide Bill of Entry No. 5647411 dated 12.11.2025 and order to re-classify the same as per Table-IV above.
- iii. I order to reject the declared assessable value of Rs. 9,13,306/- goods imported vide Bill of Entry No. 5647411 dated 12.11.2025 and order to re-determination the same at **Rs. 62,57,590/-** under Rule 9 of the CVR, 2007 as illustrated in Table-VI above of the said order. Further, I also order for re-assessment of the subject Bill of Entry under Section 17(4) of the Customs Act, 1962, as discussed under foregoing paras.
- iv. I order for confiscation of the goods having re-determined assessable value of Rs. 62,57,590/- under Section 111(l) & 111(m) of the Customs Act, 1962. However, considering facts of the case and provisions of the Section 125 of the Customs Act, 1962, I give an option to the Importer to redeem the same on payment of redemption fine of **Rs. 6,25,000/- (Rupees Six Lakhs Twenty Five Thousand only)**.
- v. I impose a penalty of **Rs 1,50,000/- (Rupees One Lakh Fifty Thousand only)** upon the importer under Section 112(a)(ii) of the Customs Act, 1962.
- vi. I impose a penalty of **Rs 1,00,000/- (Rupees One Lakh only)** upon the importer under Section 114AA of the Customs Act, 1962.

**20.** This order is issued without prejudice to any other action that may be taken against the claimant under the provisions of the Customs Act, 1962 or rules made there under or under any other law for the time being in force.

Additional Commissioner,  
Customs House, Mundra.

**To,**

M/s Ace Electro Trade (IEC-DDNPA0326N),  
Lower Ground Floor, Bearing No. 3705-06 and 3718-19,  
Gali No. 17, Hardhyan Singh Road,  
Karol Bagh, New Delhi-110005.

**Copy to:**

1. The Deputy Commissioner (SIIB), Custom House, Mundra
2. The Deputy Commissioner (Review Section/TRC/EDI), Custom House, Mundra.
3. Guard file.