CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
BANGALORE

REGIONAL BENCH - COURT NO. 1

Customs Appeal No.20137 of 2021

(Arising out of Order-in-Appeal No.COC-CUSTM-000-APP-105/2020-21 dated 10.11.2020 passed by the Commissioner of Customs (Appeals), Cochin.)

M/s. Basuna Traders,
43-846a Alakkappilly Building,
Kannachanthode Road,
Ernakulam North PO,
Ernakulam-682 018, Kerala.

Appellant(s)

VERSUS

Commissioner of Customs,
Custom House, Willingdon Island,
Cochin-682 009, Kerala.

Respondent(s)

APPEARANCE:

Mr. M.S. Sajeev Kumar, Advocate for the Appellant.
Mr. Maneesh Akhoury, Asst. Commissioner (AR) for the Respondent.

CORAM: HON'BLE MR. D.M. MISRA, MEMBER (JUDICIAL)
HON'BLE MRS. R. BHAGYA DEVI, MEMBER (TECHNICAL)

Final Order No. 21966 / 2025

DATE OF HEARING: 24.10.2025
DATE OF DECISION: 24.10.2025

PER : R. BHAGYA DEVI

Briefly the facts are the appellant M/s. Basuna Traders filed Bill of Entry No.5920349 dated 10.04.2018 for clearance of 536 packages of goods declared as table cloth, glass set, cloth hanger etc., imported from China. The total invoice value of the consignment was declared as USD 6088.23 (C&F). On investigation, it was found that the goods were undervalued and accordingly, the declared value was rejected and the Joint Commissioner had predetermined the assessed value and confirmed the duty amount of Rs.3,97,762/- also the goods were confiscated and allowed to be redeemed on payment of fine of Rs.1,00,000/- and penalty under Section 112(a) and Section 114(AA) of the Customs Act, 1962. In addition, differential duty of Rs.4,22,953/- on previous consignments was also demanded along with penalty under Section 114A and 114AA of the Customs Act, 1962. This order was appealed against and the Commissioner (Appeals), who in turn rejected their appeal. Aggrieved by this order, the appellant is in appeal before us.

2. The Learned Counsel submits that the Special Intelligence Team of Customs on investigation found the goods were undervalued. It is submitted that the declared value is rejected and predetermined solely on the basis of statement rendered by Sri. Sunil Kumar. C and on the basis of certain documents which is not as per Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. It is also submitted that the Order-in-Original was passed after the maximum period of one year provided under Section 28(9) of the Customs Act, 1962. Further, it is stated the goods covered by Bill of Entry No.5920349 dated 10.04.2018 was provisionally assessed and cleared on 20.04.2018 which is against the Customs (Finalization of Provisional Assessment) Regulation, 2018.

3. The Learned Authorized Representative (AR) for the Revenue reiterated the findings of the Learned Commissioner (A) in the impugned order.

4. Heard both sides. Rule 12 of the Custom Valuation Rules allows the Revenue authorities to reject the declared value if the proper officer has reason to doubt the truth or accuracy of the value declared by the importer and the value can be redetermined based on the documents unearthed during investigation in accordance with the provisions of Section 14 of the Customs Act, 1962 read with the Valuation Rules. In the instant case, it is a fact that Sri Sunil Kumar. C, Managing Partner of the firm had admitted that the actual value of the consignment was RMB 1,09,391.400 (C&F) as against the declared value of USD 6,088.00 (C&F). He had also submitted that the original invoice of the supplier in proof of the value

which was also admitted in his reply to the show-cause notice and at the time of personal hearing as noted by the original authority in the Order-in-Original. It was also noted that the appellant had confessed that part of the payment was through bank and the balance was directly paid to the supplier during their visit to China. Therefore, we find that the declared value was rightly rejected based on the documents recovered and based on the statements by the appellant. Accordingly, we uphold the demand of differential duty on the impugned bills of entry and penalty under Section 114A. However, taking into consideration that equal amount of penalty Rs.4,22,953/- is imposed, all other penalties stand set aside.

(Operative part of this Order was pronounced in Open Court
on conclusion of the hearing)

(D. M. MISRA)
MEMBER (JUDICIAL)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

RV