

**IN THE CUSTOMS, EXCISE & SERVICE TAX
APPELLATE TRIBUNAL, CHENNAI**

Customs Appeal No. 41283 of 2016

(Arising out of Order in Appeal No. 105/2016 (CXA – II) dated 30.3.2016 passed by the Commissioner of Central Excise (Appeals – II), Chennai)

M/s. Fine Wood Products Pvt. Ltd.

R.S. No. 99/2 & 99/3

Madukarai Village, Puducherry – 605 105.

Appellant

Vs.

Commissioner of Customs

No. 1, Williams Road

Cantonment, Trichy – 620 001.

Respondent

APPEARANCE:

Shri N. Viswanathan, Advocate for the Appellant

Smt. Anandalakshmi Ganeshram, Authorized Representative for the Respondent

CORAM

Hon'ble Shri M. Ajit Kumar, Member (Technical)

Hon'ble Shri Ajayan T.V., Member (Judicial)

FINAL ORDER NO. 41424/2025

Date of Hearing : 23.07.2025

Date of Decision: 03.12.2025

Per M. Ajit Kumar,

This appeal is filed against Order in Appeal No. 105/2016 (CXA – II) dated 30.03.2016 passed by the Commissioner of Central Excise (Appeals – II), Chennai (impugned order).

2. Brief facts of the case are that the appellant had imported Gurjan Round Timber Logs from Myanmar via Cuddalore Port and filed Bills of Entry (BOE), for import duty assessment. The Customs authorities checked the values of similar imports made through Tuticorin Port and in the NIDB database and found higher recorded prices than those declared by the appellant. As no supporting evidence was provided by the appellant for the declared values, these were rejected under Rule

3(1) and Rule 12 of the Customs Valuation Rules, 2007. The value was reassessed using contemporaneous import data, leading to payment of differential duties 'under protest' on six bills of entry. A Show Cause Notice (**SCN**) was issued to confirm the duties and vacate the protest. After following due process, the Original Authority upheld the duties under Section 28 of the Customs Act, 1962. The appellant's subsequent appeal to the Commissioner (Appeals) was rejected, resulting in this appeal to the Tribunal.

3. The Ld. Counsel Shri N. Viswanathan appeared for the appellant and Ld. Authorized Representative Smt. Anandalakshmi Ganeshram, appeared for the respondent.

3.1 The Ld. Counsel for the appellant contested the rejection of the declared transaction value in six BEs filed on 22.04.2014 for importing Gurjan round logs from Myanmar, arguing that the Customs department relied only on a single contemporaneous import value from Calcutta (BE No. 4778397 dated 01.03.2014, 620.02 CBM) and applied rule 9 of the CVR instead of rules 4 or 5, despite a limited price difference of Rs 6900-7600 per CBM. He prayed that the impugned order may be set aside.

3.2 Smt. Anandalakshmi Ganeshram, Ld. A.R. appeared for the respondent. She reiterated the finding in the impugned order and prayed that the appeals may be rejected.

4. We find that a similar matter has been decided by this Bench in the appellant own case vide **FINAL ORDER NOS. 41273 to 41287/2025**, dated 11.11.2025 [M/s. Fine Wood Products Pvt. Ltd. Vs Commissioner of Customs, Trichy]. The relevant portion is extracted below:

“5. We find that this is a case of valuation of imported Gurjan Round Timber Logs from Myanmar. Department has relied on B.E. No 9510941 dated 07.03.2013 for the reference value, wherein the invoice contains the price of Rs 24,397.56 per CBM. The same has been uniformly adopted for BOE at SI No. 1 to 9 of the Table above. For BOE’s from 10 to 15 of the Table above the price is statedly adopted from the NIDB data base. No details of BOE or invoice are mentioned. In none of the case was any BOE and invoice, on which the values were stated to have been adopted by the department, shared with the importer. The contention of the importer that all the documents required under section 17 of the Customs Act 1962 was produced to the department was not denied. The valuation has been done in the OIO’s based on the residual method as per rule 9 of the Customs Valuation Rules 2007.

6. We find the entire procedure to be flawed. Clause (iii) of Explanation appended to rule 12 of the **Customs Valuation Rules 2007**, sets out some of the conditions for the reason to doubt the declared value and on the basis of which it can be rejected. The same is as below:-

(iii) The proper officer shall have the powers to raise doubts on the truth or accuracy of the declared value based on certain reasons which may include -

(a) the significantly higher value at which identical or similar goods imported at or about the same time in comparable quantities in a comparable commercial transaction were assessed;

(b) the sale involves an abnormal discount or abnormal reduction from the ordinary competitive price;

(c) the sale involves special discounts limited to exclusive agents;

(d) the misdeclaration of goods in parameters such as description, quality, quantity, country of origin, year of manufacture or production;

(e) the non declaration of parameters such as brand, grade, specifications that have relevance to value;

(f) the fraudulent or manipulated documents.

(emphasis added)

The explanation though not exhaustive excludes assumptions and presumptions.

7. Clause iii(a) which is relevant to this case states that the proper officer shall have the powers to raise doubts on the truth or accuracy of the declared value based on the significantly higher value at which identical or similar goods imported at or about the same time in comparable quantities in a comparable commercial transaction. In this case such parameters have not been demonstrated to be present by revenue and one invoice was the basis of the doubt. As the phrase goes, "one swallow does not make a summer". Further once such doubt is raised the proper officer, he

must ask the importer of such goods further information which may include documents or evidence before proceeding in the matter. Such a procedure is not seen to be done. Moreover, no BOE's were given to the importer indicating the higher value etc. so that he could defend his case based on parameters shown therein, like quality, grade, quantity, country of origin, comparable quantity etc. Hence due to a lack of supporting evidence / information being provided to the importer, the reference values adopted by revenue cannot be accepted and merits to be set aside.

8. In **Century Metal Recycling Pvt. Ltd. & Another Vs Union of India & Ors.** [2019 (367) E.L.T. 3 (S.C.)], the Supreme Court summarized the provisions of rule 12 of the Valuation Rules and the observations are as follows :

“15. The requirements of Rule 12, therefore, can be summarised as under:

(a) The proper officer should have reasonable doubt as to the transactional value on account of truth or accuracy of the value declared in relation to the imported goods.

(b) Proper officer must ask the importer of such goods further information which may include documents or evidence.

(c) On receiving such information or in the absence of response from the importer, the proper officer has to apply his mind and decide whether or not reasonable doubt as to the truth or accuracy of the value so declared persists.

(d) When the proper officer does not have reasonable doubt, the goods are cleared on the declared value.

(e) When the doubt persists, sub-rule (1) to Rule 3 is not applicable and transaction value is determined in terms of Rules 4 to 9 of the 2007 Rules.

(f) The proper officer can raise doubts as to the truth or accuracy of the declared value on certain reasons which could include the grounds specified in clauses (a) to (f) in clause (iii) of the Explanation.

(g) The proper officer, on a request made by the importer, has to furnish and intimate to the importer in writing the grounds for doubting the truth or accuracy of the value declared in relation to the imported goods. Thus, the proper officer has to record reasons in writing which have to be communicated when requested.

(h) The importer has to be given opportunity of hearing before the proper officer finally decides the transactional value in terms of Rules 4 to 9 of the 2007 Rules.

(emphasis added)

The said provisions are seen to be not satisfied.”

5. We find that the above order also relates to the re-valuation of the imported goods based on one BOE, without giving substantial reasons for the same. We hence do not find any reason to deviate from our earlier decision. The Hon'ble Supreme court in its recent judgment in the case of **SK. MD. ANISUR RAHAMAN Vs THE STATE OF WEST BENGAL & ANR.** [2025 INSC 1360 / CRIMINAL APPEAL NO.43/2025, Dated: 26.11.2025.], held:

"47. Though elementary, it requires restatement that it is fundamental to the rule of law to maintain the sanctity and finality of judicial verdicts. Judicial orders which determine issues arising between the parties to the lis bind them and its conclusive nature ensures resolution of disputes so that justice is served. The strength of judicial power lies less in the hope of perfection and more in the confidence that decisions, once made, are settled. . . ."

6. Considering the discussions above, we set aside the impugned order and allow the appeal. The appellant is eligible for consequential relief as per law. The appeal is disposed of accordingly.

(Order pronounced in open court on 03.12.2025)

(AJAYAN T.V.)
Member (Judicial)

(M. AJIT KUMAR)
Member (Technical)

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