

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
ALLAHABAD**

REGIONAL BENCH - COURT No.I

Customs Appeal No.70067 of 2026

(Arising out of Order-in-Appeal No.NOI/CUSTM/000/APP/213-214/25-26 dated 18/12/2025 passed by Commissioner (Appeals) Customs, Central Goods & Services Tax, Noida)

M/s Daya Exports,

.....Appellant

(Plot No.13, 3rd Floor, Pocket-1,
Sector-13, Dwarka, Delhi-110078)

VERSUS

Commissioner of Customs (Pre.), Lucknow....Respondent

(4th Floor, C-232A/2 to 232A/3,
GST Bhawan, Sector-48, Noida-201305)

APPEARANCE:

Shri Nishant Mishra, Advocate for the Appellant

Shri Santosh Kumar, Authorised Representative for the Respondent

**CORAM: HON'BLE MR. P.K. CHOUDHARY, MEMBER (JUDICIAL)
HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)**

FINAL ORDER NO.70081/2026

DATE OF HEARING : 11 March, 2026
DATE OF PRONOUNCEMENT : 24 March, 2026

P. ANJANI KUMAR:

M/s Daya Exports, the Appellant assails the impugned order dated 18.12.2025 passed by Commissioner (Appeals) Central Goods & Services Tax, Noida.

2. Brief facts of the case are that the Appellant imported consignment of Computer Cabinet Cases vide Bill of Entry No.4934832 dated 07.08.2024. On examination, by officers on 12.08.2024, it was found that the said consignment consisted of 4431 pcs, instead of 4320 pcs, as declared (i.e. excess by 111 pieces); A Chartered Engineer was commissioned; as per the report dated 27.08.2024 given by him, the impugned goods were found to be Computer Cabinet Cases (Bare Bone Systems); they were old and used; they were incomplete desktops,

partially assembled platform having motherboard, power supply and fan; reasonable price was around 12.00 USD/pc. On the basis of the examination and the Chartered Engineer's certificate, it appeared to the revenue that importer has mis-declared and undervalued the goods. However, it was found that there is no violation of Waste Management Rules. The Appellant waived the issue of a show cause notice. Accordingly, Additional Commissioner vide Order-in-Original, dated 23.09.24, rejected the declared value and re-fixed the value at Rs.44,98,351/-; held the goods liable for confiscation; imposed Redemption Fine of Rs.3,60,000 and imposed a penalty of Rs.34,000/-. On an appeal filed by the Appellant, Learned Commissioner (Appeals) upheld the order of the Original Authority. Hence, this appeal.

3. Shri Nishant Mishra, Advocate, Learned Counsel for the Appellant, submits that the Appellant has waived the issuance of show cause notice in order to avoid detention and demurrage charges and as such it cannot be construed that the Appellant has accepted the contention of the department and that they have forgone the right to appeal. He submits that there is no mis-declaration of quantity; it is a fact that 111 pcs. was found in excess; it has been clarified by the foreign supplier that some pcs. were added extra to cover up for the damage, if any, that could occur to the impugned items, during the transport; 111 out of 4320 pcs. are very miniscule and therefore, there is no mis-declaration of quantity. Learned Counsel further submits that the revenue has wrongly opined that the impugned goods were incomplete computer systems; the Chartered Engineer has in fact used the word 'Computer Cabinet Cases' and barebone systems interchangeably; merely by the presence of motherboard, a fan and power supply cannot be held to be un-finished computer systems as vital parts like CPU is absent. He further submits that learned Adjudicated Authority has wrongly re-determined the value at 12\$/pc on the basis of Chartered Engineer's report. He further submits that the rejection of value under Rule 12 is not warranted as there was no mis-declaration of value and revenue has not placed any proof that any amount over and above the price shown in invoice has been paid to the foreign supplier. He

submits that for that reason, no confiscation can be done and no penalty can be imposed.

4. Learned Authorised Representative Shri Santosh Kumar reiterates the findings recorded in the impugned order.

5. Heard both the sides and perused the records of the case.

6. The brief issue that requires consideration in the instant case is whether there is mis-declaration of the quantity and value by the Appellant. In the impugned case, we find that the Appellant has imported computer cabinet cases; on examination, 111 pcs were found to be extra; the foreign supplier has clarified that these were supplied to obviate for the demurrage that may have occurred to any of the 4320 pcs supplied by them; looking into the quantity of the cabinet systems imported we find that 111 pcs is an insignificantly small number. Looking into the general trade practice, where a few pcs are added to compensate for the damages and the clarification issued by foreign supplier, we are of the considered opinion that there is no mis-declaration of quantity with intent to evade payment of duty. At the most revenue can charge applicable duty on the extra pcs that were found during the examination. This in itself does not warrant any confiscation and imposition of penalty.

7. Coming to the issue of mis-declaration of value, we find that the importer has declared the value @7 USD/pc whereas the revenue determined the same @12USD/pc as suggested by the Chartered Engineer. On going through the Chartered Engineer's report, we find that the Chartered Engineer has indicated the value in casual manner without any supporting evidence. There is no evidence put forth by the revenue that the similar/identical items are imported at the price comparable to the value being adopted. We also find that it is not the case of the department that the importer has paid the foreign supplier in excess of the price shown in the invoices. Therefore, we find that no case has been made for redetermination of value.

8. Coming to the issue of classification of the impugned

goods as incomplete computer systems, we find that the Adjudicating Authority and the Appellate Authority has not recorded any reasons for coming to such conclusion. The Chartered Engineer, who is supposed to be an expert in the field has used the word 'Computer Cabinet Cases and bare bone systems interchangeably. We find that in the case of computer system cases with just a motherboard and a fan cannot be held to be unfinished/incomplete system. We find merit in the submissions of the Appellant that even an unfinished or incomplete computer system cannot be sold or purchased at a value of 8 to 12 \$/pc. We further find that without Central Processing Unit (CPU) the system cannot be said to have attained the essential character of a computer. Therefore, just a computer cabinet case for a computer system without CPU cannot be held to an incomplete or unfinished computer system. In the absence of any technical opinion placed/obtained and placed on record by the revenue, we find that the importer's declaration and Chartered Engineer's certificate cannot be brushed aside. In view of the above, we find that the impugned order cannot be sustained and therefore, is liable to be set aside.

9. In the result, appeal is allowed with consequential relief, if any, as per law.

(Order pronounced in open court on-24 March, 2026)

Sd/-

(P.K. CHOUDHARY)
MEMBER (JUDICIAL)

Sd/-
(P. ANJANI KUMAR)
MEMBER (TECHNICAL)