
		<p>कार्यालय: प्रधान आयुक्त सीमा शुल्क, मुन्द्रा सीमा शुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात-370421 <b>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421</b> Email ID: group3-mundra@gov.in</p>	
<b>A.</b>	File NO.	:	<b>CUS/APR/1561/2026-Gr 3-O/o Pr Commr-Cus-Mundra</b>
<b>B.</b>	Order-in-Original No.	:	<b>MCH/ADC/ZDC/18/2026-27</b>
<b>C.</b>	Passed by	:	<b>Dipak Zala, Additional Commissioner of Customs, Customs House, AP &amp; SEZ, Mundra</b>
<b>D.</b>	Date of order and Date of issue	:	<b>09.04.2026 09.04.2026</b>
<b>E.</b>	Bill of Entry No.	:	<b>Bill of Entry No. Z- 7008890 dated 20.01.2026</b>
<b>F.</b>	SCN F. No. & Date	:	<b>SCN Waived on the request of the importer</b>
<b>G.</b>	Noticee(s)/Party/ Importer	:	<b>M/s. Kash International Trade Co., Flat No.-M1, Essel Mention 2286-87 Ar, Karol Bagh, New Delhi- 110005 (IEC: 0516960768),</b>
<b>H.</b>	DIN	:	<b>20260471MO0000888AA8</b>

- यह अपील आदेश संबन्धित को निःशुल्कप्रदान किया जाता है।

This Order - in - Original is granted to the concerned free of charge.

- यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128A के अंतर्गत प्रपत्रसीए- 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:

सीमाशुल्क आयुक्त (अपील),  
चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड,  
नवरंगपुरा, अहमदाबाद-380 009  
**THE COMMISSIONER OF CUSTOMS (APPEALS), Ahmedabad**  
4<sup>th</sup> Floor, HUDCO Building, Ishwar Bhuvan Road,  
Navrangpura, Ahmedabad-380 009

- उक्त अपील यह आदेश भेजने की दिनांक से 3 माह के भीतर दाखिल की जानी चाहिए।

Appeal shall be filed within three months from the date of communication of this order.

4. उक्त अपील के उपर 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 केमदसं. -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 ज़ापनकेसाथड्यूटि/ ब्याज/ दण्ड/ जुर्मानाआदिकेभुगतानकाप्रमाणसंलग्नकियाजानाचाहिये।

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.

### **Issue in Brief and Details of Bill of Entry:**

On the basis of Specific information received to this office, the goods imported by M/s. Kash International Trade Co., Flat No.-M1, Essel Mention 2286-87 Ar, Karol Bagh, New Delhi-110005 (IEC: 0516960768), (herein after referred as “the importer” for brevity) under Bill of Entry No. Z- 7008890 dated 20.01.2026, filed at APSEZ (INAJM6), identified as high risk for mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods. The goods were

destined to M/s Shoolin Trade Link LLP, APSEZ, Mundra (Kutch) Port- INAJM6. The details of the goods declared in the Bill of entry no. Z-7008890 dated 20.01.2026 are detailed below:

**Table-I**

<b>Sr. No</b>	<b>CTH</b>	<b>Description</b>	<b>Quantity</b>	<b>UQC</b>
1	59039090	Polyester Laminated Fabric	79226	Sqm.

**Examination of the Goods:**

2. Whereas, the examination of the Bill of Entry No. Z- 7008890 dated 20.01.2026 was conducted on 19.02.2026 under Examination Report in the presence of Authorized Representative of the importer and SEZ unit M/s Shoolin Trade Link LLP. The goods, received in container no. OCGU8030852, were examined as per the commercial invoice No. GBA-25205 dated 01.01.2026, issued by M/s Commercense Limited, China. The details of weightment verified from weightment slip is as below:

<b>Sr. No</b>	<b>Container no.</b>	<b>Description</b>	<b>Declared weight in BE</b>	<b>Weightment as per Examination</b>
1	OCGU8030852	Polyester Laminated Fabric	25062.1	25000

During the inspection, the container's seal was found intact and the Customs Officer directed to cut the seal of the said container. Upon opening the container doors, it was observed that the container was loaded with fabric rolls of different colours. All fabric rolls were subsequently unloaded with the help of laborer and stacked in open area in yard. During examination a total of 1259 fabric rolls of same lengths were found. The rolls were packed in transparent plastic sheet. The rolls were opened and examined. The fabric appeared to be same in all colours. However, to ascertain exact nature and composition of the fabric, samples were drawn and sent to the lab CRCL, Kandla vide Test Memo No. 540/2025-26 dated 20.02.2026 for testing.

**3. Classification of the Goods:**

The CRCL, Kandla Lab vide their Lab report no. 10208 SIIB dated 24.02.2026 in r/o TM no. 540/2025-26 dated 20.02.2026 has submitted the following observations.

*The sample as received is in the form of a cut piece of dyed (light purple coloured) woven fabric having lamination(translucent film) on one side.*

*The base fabric is composed of polyester filament yarns (texturized) and laminated film is composed of polymeric material based on polyurethanes (PU).*

*GSM (as such) =130.03*

*Width, as such (selvedge to selvedge) = 148 cm*

*% composition*

*Polyester = 93.93 % by wt.*

*Lamination = Balance*

*The sample is laminated fabric hence AZO Dye could not be ascertained.*

In view of the above test reports, it appears that Sample does not merit the declared classification under (CTH 59039090). However, the sample appears as more appropriately covered under Chapter-5903 under the description of laminated fabric i.e. '**Textile fabrics impregnated, laminated, covered or laminated with plastics, other than those of heading 5902**'. The relevant extract of CTH is as below:

5903                    Textile Fabric impregnated, coated, covered or laminated with plastics, other than those of heading 59.02

590310                    - With Polyvinyl chloride:  
59031010                --- Imitation leather fabrics of Cotton  
59031090                --- Other

**590320                    - With Polyurethane:**  
**59032010                --- Imitation leather fabrics, of cotton**  
**59032090                --- Other**

590390                    - Other:  
59039010                --- Of Cotton  
59039020                --- Polyethylene laminated jute fabrics  
59039090                --- Other.

From the above Since Polyurethane is a type of plastics. Hence, it, prima facie, appears to classifiable under 59032090 as there is 2<sup>nd</sup> single dash (-) level entry for fabric covered with polyurethane instead of declared CTH 59039090, **wherein the applicable duty structure is 20% BCD + SWS (10% of BCD) +5% IGST.**

#### **4. Re-determination of Quantity of the Goods:**

The importer has declared the total no. of packages as 762 with total quantity of 79226 SQM in the said Bill of Entry. Further, the Representative samples of the goods forwarded to CRCL Kandla vide TM no. 540/2025-26 dated 20.02.2026. As per CRCL, Kandla Lab vide their Lab report no. 10208 SIIB dated 24.02.2026 the GSM of the goods found as 130.03 gm/m<sup>2</sup>. The net weight of the cargo is 25000 kgs. As per the Net weight of the cargo i.e. 25000 kgs and GSM i.e.

130.03 gm/m<sup>2</sup> the total quantity of the goods comes to 192263.324 SQM. The calculation of quantity is as below:

GSM= Net weight of the Cargo in gms/ Quantity in SQM

130.03= 25000\*1000/ Quantity in SQM

Total quantity in SQM= 25000000/130.03

Total Quantity in SQM= 192263.324 SQM

## **5. Rejection and Determination of Valuation:**

5.1. The inconsistency observed in filing of the Bill of Entry suggests deliberate Undervaluation, mis-declaration of quantity and mis-classification. In the Bill of Entry No. Z- 7008890 dated 20.01.2026, submitted by the importer consist of 01 item were listed for import as detailed in Table-I above.

5.2. As imported items were found to be undervalued, mis-declared and mis-classified in the Bill of Entry No. Z- 7008890 dated 20.01.2026, hence they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Since, mis-declaration of the goods, in parameters such as valuation and mis-classification, was noticed, the declared value of the goods is liable to be determined in terms of Rule 12, explanation 1 (i), of the said Rules, 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, the Chartered Engineer was appointed for valuation of the goods.

The Chartered Engineer vide his CE Report No. ABJ:INSP:CE:MUN:SIIB:SH:KASH:25-26:60 dated 02.03.2026 has suggested the valuation of the imported goods as under:

**Table-II**

<b>Sr . No .</b>	<b>Descripti on</b>	<b>Total Quantity</b>	<b>Measu re Unit</b>	<b>Declar ed Unit price per SQM (in USD)</b>	<b>Unit Suggesti ve Average C.I.F. Value by C.E. (in USD)</b>	<b>Total Suggesti ve Average C.I.F. Value by C.E. (in USD)</b>	<b>Total Suggesti ve Average C.I.F. Value by C.E. (in INR) \$=91.2</b>
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1	Polyester Dyed Fabric Laminated with PU	192263.324	Sqm	0.12	0.18	34607.398	31,56,195/-
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The chartered engineer, empanelled by the government, determined the fair value of the goods to be **Rs. 31,56,195/-** in contrast to the declared assessable value as **Rs. 8,67,049/-**.

5.3. With the introduction of self-assessment under Section 17(1) of the Customs Act, 1962, the responsibility lies squarely on the importer to accurately self-assess the Bill of Entry and declare the correct amount of leviable duty. By failing to declare dutiable goods correctly in the Bill of Entry, the importer's actions indicate an intent to evade payment of the correct duties on the imported goods. This deliberate omission raises reasonable grounds to believe that the importer wilfully and intentionally concealed dutiable goods, thereby causing a loss to government revenue.

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

6.1. Based on the foregoing paragraphs, it is evident that the importer has undervalued/mis-classified/mis-declared the imported goods to evade payment of duties and taxes by. The duty liability for the imported goods as per re-determined value is ascertained as under:

**Table-III**

Sr No	Description	Total Quantity	Measure Unit	Total Suggestive Average C.I.F. Value by C.E. (in USD)	Total Suggestive Average C.I.F. Value by C.E. (in INR) \$=91.2	BCD @ 20% (in Rs.)	SWS @ 10% of BCD (in Rs.)	IGST @ 5% (In rs.)	Total Duty (in Rs.)
1	Polyester Dyed Fabric Laminated with PU	192263.324	Sqm	34607.398	3156195	631239	63124	192528	8,86,891/-

From the **Table III above**, it appears that the total duty liability of the importer is Rs. 8,86,891/-.

6.2. The importer in the BE no. Z- 7008890 dated 20.01.2026, has declared the value of the goods as Rs. 8,67,049/- 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. 2,43,641/-**.

6.3. Based on the calculations from Table-III above, the importer is need to pay/levy a differential liability of Rs. 6,43,250/- 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 misdeclaration/undervaluation of goods.

## 7. **LEGAL PROVISIONAS:**

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(4)** of the Customs Act, 1962, 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. **Section 111** of the of the Customs Act, 1962- **Confiscation of improperly imported goods, etc. as under**

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

...

*(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. **Section 112** of the Customs Act, 1962, 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, -

(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. 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 Investigation:**

On the basis of specific information for risk of mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods in the import consignment of M/s. Kash International Trade Co., Flat No.-M1, Essel Mention 2286-87 Ar, Karol Bagh, New Delhi-110005 (IEC: 0516960768), under Bill of Entry No. Z- 7008890 dated 20.01.2026, filed at APSEZ (INAJM6), an investigation was initiated by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra. The investigation revealed significant irregularities in the import consignment of M/s. Kash International Trade Co. under Bill of Entry No. Z-7008890 dated 20.01.2026. The examination uncovered deliberate mis-declaration in quantity, mi-classification and undervaluation of goods, indicating intent to evade Customs duties. The outcomes of the investigation are as follows:

8.1. **Examination and Findings:**

- The examination of container no. OCGU8030852, conducted on 19.02.2026 under examination report in the presence of authorized representative of importer and SEZ unit, revealed discrepancies in the goods imported by M/s. Kash International Trade Co. under Bill of Entry No. Z-7008890 dated 20.01.2026:
- A sample was drawn and sent to CRCL, Kandla, for testing, which confirmed the goods as Polyester dyed woven fabric with polyurethane lamination.
- **Declared goods:** Polyester Laminated Fabric, classified under the CTH 59039090.
- **Found goods:** Polyester Dyed Fabric Laminated with PU (192263.324 Sqm), that merit classification under the CTH 59032090, indicating mis-declaration.
- The goods were found to be grossly undervalued in the declared CIF value.

8.2. **Valuation of the Goods:**

- **Declared Value:** The importer declared an assessable value of INR 8,67,049/-.
- **Redetermined Value:** The Chartered Engineer's report (ref no. ABJ:INSP:CE:MUN:SIIB:SH:KASH:25-26:60 dated 02.03.2026) determined the fair CIF value at INR 31,56,195/-.
- **Valuation Method:** The declared value was rejected under Rule 12 of CVR Rules, 2007, due to undervaluation/mis-declaration and mis-classification. Valuation was determined under Rule 9 of the Customs Valuation Rules (CVR), 2007 (residual method), as values under Rules 4-8 could not be established due to lack of comparable data, non-standard nature of goods, and absence of domestic market sale prices.

### 8.3. **Classification:**

- The imported goods (Polyester Dyed Fabric Laminated with PU) merit classification under the CTH 59032090 as per the CRCL, Kandla test report (Lab report no. 10208 SIIB dated 24.02.2026), ensuring accurate duty assessment. The goods were identified as textile Polyester dyed woven fabric laminated with polyurethane, falling under "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902."

### 8.4. **Duty Evasion:**

- The importer's deliberate undervaluation resulted in a differential duty liability of INR 6,43,250/- (total duty liability of INR 8,86,891/- as per Table III minus declared duty of INR 2,43,641/-).

### 8.5. **Conclusion:**

The importer has, by their acts of omission and commission, rendered the goods found mis-classified/undervalued/mis-declared in quantity, with a re-determined assessable value of INR 31,56,195/- under Bill of Entry No. Z- 7008890 dated 20.01.2026, liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962, and is therefore also liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. As the importer has mis-declared the quantity of the goods is also liable for penalty under Section 114AA of the Customs Act, 1962.

### **Waiver of Notice and Personal Hearing: -**

9. The importer M/s. Kash International Trade Co., Flat No.-M1, Essel Mention 2286-87 Ar, Karol Bagh, New Delhi-110005 (IEC: 0516960768) vide their email dated 02.03.2026, have requested for waiver of the Show Cause Notice and personal hearing in the matter, necessary adjudication proceeding/action may be initiated in respect of the said Bill of Entry as per the Customs Act, 1962. The Lab report no. 10208 SIIB dated 24.02.2026 in r/o TM no. 540/2025-26 dated 20.02.2026 and CE Report No. ABJ:INSP:CE:MUN:SIIB:SH:KASH:25-26:60 dated 02.03.2026 were shared with the importer via email. The importer reviewed and agreed with the test report, accepting the revised classification and valuation, and requested the release of the consignment.

10. **In view of the above, it appears that:**

- a) The declared Description, Quantity, Weighment, No. of Packages and classification of the goods in the Bill of Entry No. 7008890 dated 20.01.2026 is liable to be rejected and needs to be re-determined as per above discussion.
- b) The declared total assessable value of the goods, i.e., Rs. 8,67,049/-, is liable to be rejected and the same needs to be re-determined as Rs. 31,56,195/ under Rule 9 of the Customs Valuation Rules, 2007.
- c) 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. 6,43,250/- under Section 17(4) of the Customs Act, 1962.
- d) The goods imported vide Bill of Entry No. 7008890 dated 20.01.2026 having re-determined value of Rs. 31,56,195/-, are liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962.
- e) The importer is liable for penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962.

**SCN and Personal Hearing**

11. The importer vide their email dated 02.03.2026 submitted that they agree with the test report and the CE report and the importer has also conveyed, their willingness to accept the revised valuation and to pay all applicable dues, fines, and penalties. They have additionally requested that the matter be settled without the issuance of a Show Cause Notice or the requirement of a personal hearing. Further, vide their subsequent email dated 02.04.2026, they have again

requested to waive the Show Cause Notice and Personal Hearing and decide the matter on merit.

### **Discussion and Findings**

12. I find that the importer, M/s. Kash International Trade Co.( IEC: 0516960768), vide their emails dated 02.03.2026 confirmed agreement with the CRCL test reports and agree with the value ascertained as per the Chartered Engineer report and requested that they do not require Show Cause Notice and Personal Hearing. Further, vide their subsequent email dated 02.04.2026, they have requested to waive the Show Cause Notice and Personal Hearing and decide the matter on merit. In view of the importer's explicit waiver of SCN and Personal Hearing, the principles of natural justice under Section 124 of the Customs Act, 1962, have been duly complied with. Considering the importer's waiver and the availability of all material evidence on record, including the Bill of Entry, examination report, CRCL test reports, Chartered Engineer report, packing list, and invoice, the case is ripe for adjudication on merits without issuance of SCN or conduct of Personal Hearing, as per the provisions of Section 124 of the Customs Act, 1962.

13. As the principles of natural justice stand complied with in view of the importer's explicit waiver of Show Cause Notice and personal hearing vide their emails dated 02.03.2026 and 02.04.2026, I now proceed to adjudicate the matter on merits. After going through the facts of the case as brought out in the Investigation Report, the following key issues are identified for determination:

- (i) Whether the declared Description, Quantity, Weighment, No. of Packages and classification of the goods in the Bill of Entry No. 7008890 dated 20.01.2026 is liable to be rejected and needs to be re-determined.
- (ii) Whether the declared total assessable value of the goods, i.e., Rs. 8,67,049/, is liable to be rejected and the same needs to be re-determined as Rs. 31,56,195/ under Rule 9 of the Customs Valuation Rules, 2007.
- (iii) Whether self-assessment done by the importer is liable to be rejected and the BE needs to be re-assessed with differential duty of Rs. 6,43,250/- under Section 17(4) of the Customs Act, 1962.

- (iv) Whether the goods imported vide Bill of Entry No. 7008890 dated 20.01.2026 having re-determined value of Rs. 31,56,195/-, are liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962.
- (v) Whether the importer is liable for penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962.

14. The Investigation Report established that the goods imported by M/s. Kash International Trade Co.,(IEC- 0516960768) vide Bill of Entry No. 7008890 (Z-Type) dated 20.01.2026 were subjected to detailed scrutiny based on intelligence, indicating potential mis-declaration/concealment of goods. The consignment, declared as "Polyester Laminated Fabric" under CTH 59039090, was held for 100% examination by the Special Intelligence and Investigation Branch (SIIB), Custom House, Mundra. The examination was conducted on 19.02.2026 at M/s. Shoolin Trade Link LLP SEZ Unit, Mundra SEZ in the presence of Authorized Representative of the importer and SEZ unit M/s Shoolin Trade Link LLP. During examination fabric rolls of different colours were found. On examination of fabric rolls, a total of 1259 fabric rolls were found and Width of Fabric rolls are measured on random basis and found 148 CM. The examination details are summarized below:

<b>Description of Goods</b>	<b>No. of Fabric rolls</b>	<b>Width of Each Roll</b>
Fabric rolls of similar width and different colour	1259	148 CM

The no of package declared in the consignment as 762 however, during examination total no of rolls are found as 1259. The importer had declared the weight of goods in the subject Bill of Entry as 25062.1 Kgs however, on weightment the weight of goods found as 25,000 Kgs.

14.1 To verify the exact nature, composition and description, representative samples were drawn and forwarded to the Central Revenues Control Laboratory (CRCL), Kandla vide Test Memo No. 540/20.02.2026. The CRCL, Kandla vide test report no. SIIB-10208 dated 24.02.2026 provided the test report and key findings from the CRCL test reports is as under:

<b>Test Memo No.</b>	<b>Test Report No. (Lab No.)</b>	<b>Test Report</b>

540/20.02.2026	SIIB-10208	<p><i>The sample as received is in the form of a cut piece of dyed (light purple coloured) woven fabric having lamination(translucent film) on one side.</i></p> <p><i>The base fabric is composed of polyester filament yarns (texturized) and laminated film is composed of polymeric material based on polyurethanes (PU).</i></p> <p>GSM (as such) = 130.03</p> <p>width (Selvedge to Selvedge) = 148 cm</p> <p>% composition</p> <p><i>Polyester = 93.93 % by wt.</i> <i>Lamination = Balance</i></p> <p><i>The sample is laminated fabric hence AZO Dye could not be ascertained.</i></p>
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14.2 As per test reports received from the CRCL, Kandla, it is observed that the items declared are mis-declared in terms of description and classification as tabulated as below:

Sr. No.	CTH as per BE	Description of Goods as per BE	Actual CTH as per Test Report	Actual Description of Goods as per Test Report	Remarks
1	59039090	Polyester Laminated Fabrics	59032090	PU laminated polyester fabric	Mismatch in Description and Classification

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14.3 Regarding the match between declared and actual description, the declared goods as "Polyester Laminated Fabric" under CTH 59039090 do not fully correspond to the tested characteristics. The importer vide their email dated 02.03.2026 has accepted the above test report and agreed that CTH of the imported item should be 59032090 without contesting the findings.

14.4 The quality parameters confirmed varying grades (different GSM, lamination/impregnation, yarn texturing), contributing to undervaluation. The goods were unbranded.

14.5 Evidence of mis-declaration is inferred from the discrepancies in description, classification, and value. No comparable data was available from NIDB/previous imports, leading to reliance on Chartered Engineer's opinion.

14.6 The declared assessable value of Rs. 8,67,049/- (USD 9507.12) was rejected under Rule 12 of CVR, 2007. Valuation under Rule 9 was applied via Chartered Engineer report, ascertaining CIF value as Rs. 31,56,195/- (USD 34607.398), resulting in undervaluation of Rs. 22,89,146/- and short-levy of duty Rs. 6,43,250/-.

14.7 Key discrepancies in description, classification and valuation is tabulated as under:-

Sr. No.	Declared Description/CTH	Actual Description as per CRCL Test	Appropriate CTH	GSM	Declared Value (Rs. / USD)	Re-determined Value (Rs. / USD)	Undervaluation (Rs.)
1	Polyester Laminated Fabric (59039090)	PU laminated polyester fabric.	59032090	130.03	Rs. 8,67,049 /- (USD 9507.12)	Rs. 31,56,195 /- (USD 34607.398),	Rs. 22,89,146/-

14.8 Regarding the quantity of goods, I find that the importer has declared the total no. of packages as 762 with total quantity of 79226 SQM in the Bill of Entry No. Z- 7008890 dated 20.01.2026. The CRCL, Kandla Lab vide their Lab report no. 10208-SIIB dated 24.02.2026 provided the GSM of the goods found as 130.03 gm/m<sup>2</sup>. The gross weight of the cargo is 25000 kgs as per weighment slip.

The calculation of quantity is as below:

Total Quantity (SQM)= Net Weight in grams/ GSM

GSM= 130.03, Net weight of the Cargo in gms=25000\*1000

Total quantity= 25000000/130.03

Total Quantity in SQM:- 192263.324 SQM

The Chartered Engineer vide his report no. ABJ:INSP:CE:MUN:SIIB:SH:KASH:25-26:60 dated 02.03.2026 also provided the total quantity of the goods as 1,92,263.324 SQM.

In view of above, as per the examination of goods and as per the finding of the CRCL, Kandla, I hold that the actual quantity of the goods imported is 1,92,263.324 SQM, instead of declared quantity of 79226 SQM and therefore importer had also mis-declared the quantity of the goods also.

14.9 I find that the goods imported under the present shipment were mis-declared in respect of description, classification, valuation, and other particulars. The importer has not disputed the investigation findings and has accepted both the test reports and CE valuation. The above findings clearly establish that the importer failed to make a true and correct declaration of the imported goods as mandated under Section 46 of the Customs Act, 1962.

15. Regarding the classification - the importer declared the entire consignment uniformly under CTH 59039090, while the Investigation Report, supported by the CRCL test results, establishes classification under CTH 59032090.

15.1 Heading 5903 of the Customs Tariff Act, 1975 covers "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902". The sub-headings are structured based on the type of plastic material used. Specifically:

- CTH 590310 covers fabrics with polyvinyl chloride (PVC);
- CTH 590320 covers fabrics with polyurethane (PU);
- CTH 590390 is the residual entry covering "Other" plastics not specified elsewhere.

The declared CTH 59039090 falls under the residual "Other" category. In contrast, CTH 59032090 specifically covers "With polyurethane - Other".

The CRCL test provide the following findings:

<b>Fabric Type</b>	<b>Key Test Findings</b>	<b>Composition</b>	<b>Treatment</b>	<b>Appropriate CTH</b>
Type-I	<p><i>The sample as received is in the form of a cut piece of dyed (light purple coloured) woven fabric having lamination(translucent film) on one side.</i></p> <p><i>The base fabric is composed of polyester filament yarns (texturized) and laminated film is composed of polymeric material based on polyurethanes (PU).</i></p> <p>GSM (as such) = 130.03</p> <p>width (Selvedge to Selvedge) = 148 cm</p>	<p><i>Polyester = 93.93 % by wt. Lamination = Balance</i></p>	Laminated with polyurethane (PU)	59032090

<b>Fabric Type</b>	<b>Key Test Findings</b>	<b>Composition</b>	<b>Treatment</b>	<b>Appropriate CTH</b>

15.2 In applying the General Rules for the Interpretation (GIR) of the First Schedule to the Customs Tariff Act, 1975:

- GIR 1 mandates classification according to the terms of the headings and relative Section or Chapter Notes Chapter Note 2 to Chapter 59 specifies that Heading 5903 applies to textile fabrics impregnated, coated, covered or laminated with plastics (compact or cellular), excluding cases where the plastic application cannot be seen with the naked eye (no account taken of colour change).
- For subject BE, the PU lamination is explicitly identified and qualifies under 5903; the specific sub-heading for polyurethane (590320) takes precedence over the residual 590390 per GIR 3(a) (more specific heading prevails).

15.3 The uniform declaration of the entire consignment under CTH 59039090 is incorrect as it ignores the specific identification of polyurethane lamination (attracting 59032090). The CRCL test reports provide scientific evidence overriding the generic declaration. The importer's acceptance of the test reports vide email dated 02.03.2026 further confirms the discrepancies.

Therefore, I hold that:

- Fabrics of subject Bill of Entry No. 7008890 (Z-Type) dated 20.01.2026 is correctly classifiable under CTH 59032090;

The mis-classification of the consignment has resulted in incorrect duty assessment.

16. From the above, it is evident that the importer had mis-declared the goods in terms of description, classification, and valuation. The goods were uniformly declared as "Polyester Laminated Fabric" under CTH 59039090, whereas the CRCL test reports conclusively established as Polyester Fabric laminated with

polyurethane(PU) and laminated fabric specifically classifiable under CTH 59032090. Further, the declared transaction value of Rs. 8,67,049/- (USD 9507.12) does not reflect the true value, as confirmed in the absence of comparable data for identical/similar goods under Rules 4 to 8 of the Customs Valuation Rules, 2007 and the independent assessment by the empanelled Chartered Engineer, who re-determined the CIF value at Rs. 31,56,195/- (USD 34607.398). The importer has accepted both the CRCL test reports and the Chartered Engineer's valuation without contest.

16.1 The importer, during the course of investigation, accepted the CRCL test report and further agreed with the valuation suggested by the Chartered Engineer vide, while requesting waiver of Show Cause Notice. Thus, the declared value is not acceptable as the true transaction value and merits rejection in terms of Section 14 of the Customs Act, 1962 read with Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The value is required to be re-determined by sequentially applying Rules 4 to 9 of the Customs Valuation Rules, 2007.

### **3. Determination of the method of valuation-**

*(1) Subject to rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of rule 10;*

*(2) Value of imported goods under sub-rule (1) shall be accepted:*

*Provided that -*

*(a) there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which -*

*(i) are imposed or required by law or by the public authorities in India; or*

*(ii) limit the geographical area in which the goods may be resold; or*

*i. do not substantially affect the value of the goods;*

*(b) the sale or price is not subject to some condition or consideration for which a value cannot be determined in respect of the goods being valued;*

*(c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of rule 10 of these rules; and*

*(d) the buyer and seller are not related, or where the buyer and seller are related, that transaction value is acceptable for customs purposes under the provisions of sub-rule (3) below.*

*(3) (a) Where the buyer and seller are related, the transaction value shall be accepted provided that the examination of the circumstances of the sale of the imported goods indicate that the relationship did not influence the price.*

*(b) In a sale between related persons, the transaction value shall be accepted, whenever the importer demonstrates that the declared value of the goods being valued, closely approximates to one of the following values ascertained at or about the same time.*

*(i) the transaction value of identical goods, or of similar goods, in sales to unrelated buyers in India;*

*(ii) the deductive value for identical goods or similar goods;*

*(iii) the computed value for identical goods or similar goods:*

*Provided that in applying the values used for comparison, due account shall be taken of demonstrated difference in commercial levels, quantity levels, adjustments in accordance with the provisions of rule 10 and cost incurred by the seller in sales in which he and the buyer are not related;*

*(c) substitute values shall not be established under the provisions of clause (b) of this sub-rule.*

*(4) 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.*

#### **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;*

*Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.*

*(b) In applying this rule, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the value of imported goods.*

*(c) Where no sale referred to in clause (b) of sub-rule (1), is found, the transaction value of identical goods sold at a different commercial level or in different quantities or both, adjusted to take account of the difference attributable to commercial level or to the quantity or both, shall be used, provided that such adjustments shall be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustments, whether such adjustment leads to an increase or decrease in the value.*

*(2) Where the costs and charges referred to in sub-rule (2) of rule 10 of these rules are included in the transaction value of identical goods, an adjustment shall be made, if there are significant differences in such costs and charges between the goods being valued and the identical goods in question arising from differences in distances and means of transport.*

*(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 such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.*

*(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.*

*Further, as per Rule 6 of the CVR, 2007, if the value cannot be determined under Rule 3, 4 & 5, then the value shall be determined under Rule 7 of CVR, 2007.*

**Rule 7 of the CVR, 2007, stipulates that:-**

(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 of the CVR, 2007, stipulates that:-**

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 of the CVR, 2007, stipulates that:-**

*(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.*

16.2 I state that "Value" has been defined under Section 2(41) of the Customs Act, 1962 as "Value", in relation to any goods, means the value thereof determined in accordance with the provisions of sub-section (1) or sub-section (2) of section 14".

16.3 The Section 14 *ibid* provides, inter alia, that the value of the imported goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, where the buyer and seller of the goods are not related and

price is the sole consideration for the sale subject to such their conditions as may be specified in the rules made in this behalf. Further, its proviso provides that such transaction value in the case of imported goods shall include, in addition to the price as aforesaid, any amount paid or payable for costs and services, including commissions and brokerage, engineering, design work, royalties and license fees, costs of transportation to the place of importation, insurance, loading, unloading and handling charges to the extent and in the manner specified in the rules made in this behalf. I find that as per the above provision value of any imported goods is the price actually paid or payable for the goods plus the components of other incidental charges to the extent mentioned in proviso to Section 14 *ibid* and in the manner specified in the Rules made under Section 14 *ibid*.

16.4 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 of different 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.

16.5 I find that in the absence of credible contemporaneous import data for identical or similar goods (due to the unbranded nature, varying specifications, and lack of detailed matches in NIDB/DGOV databases during the relevant period), the value of these goods cannot be determined in terms of Rules 4, 5, 6, 7, or 8 of the

Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Hence, the value is to be determined in terms of Rule 9 of the said Rules.

16.6 For the purpose of valuation, the empanelled Chartered Engineer, vide his report ref no. ABJ:INSP:CE:MUN:SIIB:SH:KASH:25-26:60 dated 02.03.2026, has suggested the valuation of the goods as detailed under Table-II at para 5 above. The contents of the tables are summarised as below also:-

<b>Gross Weight of the goods</b>	<b>Quantity in SQM as per TM</b>	<b>Unit Price as per Invoice in USD</b>	<b>Total CIF Value in USD</b>	<b>Total Value in Rs. (1USD=91.2 INR)</b>
25000 Kgs	192263.324	0.18	34607.398	31,56,195/-
	<b>192263.324</b>		<b>34607.398</b>	<b>31,56,195/-</b>

16.7 In view of the above, I find that the value 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 of the 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 for the present shipment and re-determine the same at Rs. 31,56,195/-/- (Rupees Thirty One Lakhs Fifty Six Thousand One Hundred Ninety Five only).

16.8 The re-determined assessable value is based solely on the independent expert opinion of the empanelled Chartered Engineer, as no reliable contemporaneous imports of identical or similar goods with matching specifications could be established from NIDB data or previous imports by the importer. The importer's acceptance of this valuation vide letter/email 02.03.2026 further supports its adoption.

16.9 On the basis of the re-determined assessable value of Rs. 31,56,195/-, the differential duty short-levied due to undervaluation and misclassification is calculated as follows:

<b>Component</b>	<b>Amount (Rs.)</b>
Assessable Value	31,56,195/-
Basic Customs Duty (BCD)(20%)	6,31,239/-
Social Welfare Surcharge (SWS)(10%)	63,124/-
IGST(5%)	1,92,528/-
<b>Total Duty</b>	<b>8,86,891/-</b>
<b>Duty declared in BE</b>	<b>2,43,641/-</b>
<b>Differential duty</b>	<b>6,43,250/-</b>

This differential duty of Rs. 6,43,250/- is recoverable, in addition to the duty already self-assessed and paid on the declared value in the Bill of Entry (for SEZ Import Z Type) No. 7008890 dated 20.01.2026.

17. It is proposed in the Investigation Report that the goods are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962. In this regard, I find that Section 111 of the Customs Act, 1962 prescribes the confiscation of improperly imported goods. The relevant clauses of Section 111 are reproduced below:

*(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.*

17.1 In view of the facts and material evidence on record, it is clearly established that the goods imported in the present shipment have been found mis-declared in respect of description, classification, valuation and other material particulars. The imported goods were subject to the provisions of the Customs Act, 1962, including confiscation provisions for mis-declaration.

17.2 I find that the goods imported by M/s. Kash International Trade Co., (IEC: 0516960768) were not correctly declared in respect of their description, classification, and value. The importer had declared the consignment uniformly as "Polyester Laminated Fabric" under CTH 59039090; however, upon laboratory testing, the goods were confirmed to comprise as Polyester Dyed Fabric Laminated with PU correctly classifiable under CTH 59032090. Further, the declared value did not correspond to the actual transaction value, as established by the rejection under Rule 12 of the CVR, 2007 and re-determination under Rule 9 at a higher value based on the Chartered Engineer's report.

17.3 I find that the mis-declaration of description, classification, and quantity in the Bill of Entry brings the goods within the ambit of Section 111(m) of the Customs Act, 1962, as the goods do not correspond in respect of description, classification, and other material particulars with the entry made under the Customs Act, 1962. Additionally, the undervaluation renders the goods not correctly included in respect of value in the entry, attracting Section 111(l) read with Section 111(m). The goods are dutiable and not prohibited; however, the mis-declaration in value, description and classification, makes them liable to confiscation. Accordingly, I find that the imported goods, having re-determined assessable value of Rs. 31,56,195/-, are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

18. From the above, it is evident that the importer has mis-declared the goods in respect of description, classification, valuation, and other particulars. Thus, by these acts of omission and commission, the importer has rendered the subject goods liable for confiscation and also rendered themselves liable for penal action under the provisions of Section 112(a) of the Customs Act, 1962. I find that the importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962, as the goods are dutiable (and not prohibited) and the mis-declaration has resulted in short-levy of duty sought to be evaded.

18.1 As regards the penalty on the importer under Section 114AA of the Customs Act, 1962 is concerned, Section 114AA provides for penal action against any person who 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 business for the purposes of the Act. From the investigation and material on record, it is observed that the importer has filed the Bill of Entry (for SEZ Import Z Type) No. 7008890 dated 20.01.2026

with incorrect declaration in material particulars such as description (uniform laminated fabric instead of distinct PU-laminated), classification (CTH 59039090 instead of CTH 59032090), and value (undervalued at Rs. 8,67,049/- against re-determined Rs. 31,56,195/-). The importer had knowingly and intentionally made/signed/used and/or caused to be made/signed/used the import documents and related declarations which were false or incorrect in these material particulars. Therefore, the importer is liable to penalty under Section 114AA of the Customs Act, 1962.

18.2 With respect to the applicability of duty rate and recovery of differential duty, I confirm the calculations as discussed in the foregoing paras and hold that the differential duty of Rs. 6,43,250/- is short-levied due to mis-declaration, mis-classification, and undervaluation. The same, in addition to the duty already self-assessed and paid on the declared value in the Bill of Entry (for SEZ import Z type) No. 7008890 dated 20.01.2026, shall be recovered accordingly.

19. As the impugned goods have been found liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962 (as discussed in para 17 above), it becomes necessary to examine whether redemption fine under Section 125 of the said Act is imposable in lieu of confiscation. The statutory provision 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 [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... [provisos omitted for brevity]”*

19.1 A plain reading of the above provision reveals that the imposition of redemption fine serves as an alternative to confiscation, providing the owner of the goods an opportunity to redeem them on payment of a fine, wherever their clearance is not restricted under any policy or statutory provision.

19.2 In the instant case, the goods are dutiable but not restricted under the Customs Tariff Act, 1975 or the Foreign Trade (Development & Regulation) Act,

1992 (as discussed in para 17 above). There exists no restriction or prohibition under any policy framework which would prevent their clearance. Since the goods are non-prohibited, the mandatory provision under Section 125(1) comes into operation. Accordingly, the importer is entitled to the option of redemption of the confiscated goods on payment of an appropriate fine in lieu of confiscation.

In view of the foregoing, I find and hold that under Section 125(1) of the Customs Act, 1962, all goods (total value Rs. 31,56,195/-) are eligible for redemption upon payment of a Redemption Fine.

20. In view of the above findings, I conclude that the importer mis-classified the goods (CTH 59039090 instead of the correct CTH 59032090), mis-declared the description of the goods, and undervalued the consignment by declaring Rs. 8,67,049/- against the re-determined value of Rs. 31,56,195/-, rendering the goods liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962, and making the importer liable to penalty under Section 112(a)(ii) and Section 114AA of the Customs Act, 1962; further, as the goods are not prohibited, an option to redeem the confiscated goods on payment of an appropriate redemption fine, is required to be extended under Section 125(1) of the Customs Act, 1962.

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

### **Order**

(i) I reject the self-assessment made by the importer in Bill of Entry (for SEZ import Z type) No. 7008890 dated 20.01.2026 under Section 17(1) of the Customs Act, 1962. Further, I order for re-assessment of the said Bill of Entry under the provisions of Section 17(4) of the Customs Act, 1962 with the re-determined classification and value as discussed in para 15.3 and 16.6. The duty arising consequent to such re-assessment shall be payable by the importer.

(ii) I reject the declared assessable value of Rs. 8,67,049/- (Rupees Eight Lakh Sixty Seven Thousand Forty Nine only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and order to re-determine the same at Rs. 31,56,195/- (Rupees Thirty One Lakh Fifty Six Thousand One Hundred Ninety Five only) under Rule 9 *ibid*, read with Section 14 of the Customs Act, 1962.

(iii) I order to confiscate the goods imported vide Bill of Entry (for SEZ import Z type) No. 7008890 dated 20.01.2026, having re-determined assessable value of Rs. 31,56,195/- (Rupees Thirty One Lakh Fifty Six Thousand One Hundred Ninety Five only), under Sections 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the said goods on payment of a redemption fine of Rs. 3,15,000/- (Rupees Three Lakhs Fifteen Thousand only) under Section 125 of the Customs Act, 1962.

(iv) I impose a penalty of Rs. 64,000/- (Rupees Sixty Four Thousand only) upon the importer, M/s. Kash International Trade Co., (IEC- 0516960768), under Section 112(a)(ii) of the Customs Act, 1962.

(v) I impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand only) upon the importer, M/s. Kash International Trade Co., (IEC- 0516960768), under Section 114AA of the Customs Act, 1962.

22. This Order is issued without prejudice to any other action that may be taken against the importer or the goods under the provisions of the Customs Act, 1962 or rules made thereunder or under any other law for the time being in force.

*Additional Commissioner,*

*Customs House, Mundra*

To:

M/s. Kash International Trade Co.

Flat No.-M1, Essel Mention 2286-87 Ar,

Karol Bagh, New Delhi-110005

**Copy to:**

1. The Deputy/Assistant Commissioner (SIIB), Customs House, Mundra.

2. The Dy./Asstt. Commissioner (Review Cell), Customs House, Mundra.
3. Concerned file