

	<p>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, एमपी और एसईजेड, मुंद्रा, कच्छ-गुजरात -370421 <b>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, MP &amp; SEZ MUNDRA, KUTCH-GUJARAT</b> <b>PHONE : 02838-271426/271428</b> <b>FAX :02838-271425</b> <b>Mail: <a href="mailto:group3-mundra@gov.in">group3-mundra@gov.in</a></b></p>	 <p>आज़ादी का अमृत महोत्सव</p>
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<b>A</b>	फा. सं./ <b>FILE NO.</b>	F. No. CUS/APR/1061/2026-Gr 3-O/o Pr Commr-Cus-Mundra
<b>B</b>	मूल आदेश संख्या/ <b>ORDER-IN-ORIGINAL NO.</b>	MCH/ADC/ZDC/699/2025-26
<b>C</b>	द्वारा पारित किया गया / <b>PASSED BY</b>	Dipak Zala Addl. Commissioner of Customs Mundra Customs House
<b>D</b>	आदेश की तिथि <b>DATE OF ORDER</b>	13.03.2026
<b>E</b>	जारी करने की तिथि <b>DATE OF ISSUE</b>	13.03.2026
<b>F</b>	कारण बताओ नोटिस संख्या & तिथि <b>SCN NUMBER &amp; DATE</b>	Waived
<b>G</b>	आयातक / नोटिस प्राप्तकर्ता <b>ImPORTER / NOTICEE</b>	<b>M/s. Bright Impex, (IEC-GDMPS1443C) SCO No. 3, 97 Arce Scheme, 2nd Floor, D Block, Ranjit Avenue, Amritsar-143001</b>
<b>H</b>	डिन संख्या / <b>DIN NUMBER</b>	<b>20260371MO000000E902</b>

1. यह 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 आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क 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 128A 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, ईश्वरभुवन 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 be 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 जापन 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, 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.

### **Brief facts of the Case:**

1. Based on the intelligence, the consignment imported by M/s. Bright Impex, SCO No. 3, 97 Arce Scheme, 2nd Floor, D Block, Ranjit Avenue, Amritsar-143001 (IEC: GDMPS1443C), (herein after referred as “the importer” for brevity) under Bill of Entry No. 5772688 (Z TYPE) dated 18.11.2025, filed at APSEZ (INAJM6), appears to be at high risk for mis-declaration and/or mis-classification and therefore was put no hold by CIU Section CH Mundra. The goods were destined to M/s Holistic Global Corporation, Mundra. The details of the goods declared in the Bill of entry no. Z-5772688 dated 18.11.2025 are detailed below:

**Table-1**

Sr. No	CTH	Description	Quantity	UQC	SQM
1	59039090	Polyester Laminated Fabric	27,913	KGs	1,20,227 SQM

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

**2.1.** Based on the intelligence, the container No. TGBU8741495 (1\*40FT) pertaining to the said Z type Bill of Entry was placed on hold for examination by CIU Section. The container had arrived at Holistic Global Corporation, Mundra.

**2.2.** Thereafter the examination of the goods was done under Panchnama 19.12.2025 in the presence of officer of CIU Section and Shri Amol Prakash Patil, Authorized Representative of M/s. Holistic Global Corporation, Mundra and the importer. The container seal was examined and found intact and matching with the import documents. Thereafter, the line bottle seal was cut and on opening the container, it is found that the container was stuffed with fabric rolls of various colours. Thereafter, the fabric rolls are de-stuffed with the help of labours provided by Shri Amol Prakash Patil, Authorized Representative of M/s. Holistic Global Corporation, Mundra and importer. The weighment slip of the container no. TGBU8741495 have been provided by Shri Amol Prakash Patil. The goods were arranged after destuffing in separate stacks according to their visible type/colour. The cargo is found to be in packaging in rolls.

**2.3.** After complete de-stuffing of the cargo, a physical count is carried out . The unit representative has also confirmed the physical count. During examination, the fabric rolls of different colours wrapped inside the transparent polythene packaging are found. On examination of fabric rolls, fabric appears same on touch and feel, apart from the colour difference. Thereafter, no. of rolls are counted and a total of 1437 rolls are found and weight of the fabric rolls on average basis is measured and found to be approx. 19.40 KGs per roll. The details are as under in table 2:-

**Table 2**

Description of Goods	No. of Fabric rolls declared in BE	No. Fabric rolls found during examination	Average weight per roll	Total weight of cargo found during examination (Approx)
Polyester Laminated Fabrics (CTH 59039090)	1437	1437	19.40 KGs	27,878

**2.4.** Further on visual examination exact nature, composition, description of the fabrics cannot be ascertained. Thereafter a representative sample of both types of goods have been taken in triplicate for testing purpose and sealed in light blue colour envelope in the presence of importer authorised person, CIU officer the panchas.

**2.5.** After examination, goods are handed over to Shri Amol Prakash Patil authorized representative of M/s Holistic Global Corporation and the importer for safe custody, with directions that no removal or further handling of the goods shall be permitted without prior approval from the competent authority.

**2.6.** Thereafter, the CIU section has transferred the case to SIIB section under letter dated 01.01.2026.

**2.7.** The samples drawn during examination were forwarded to CRCL Kandla vide Test Memo No. 448 dated 07.01.2026.

**3. Result of Testing/Classification of the Goods/Analysis of Test Report:**

**3.1.** The CRCL Kandla has conducted the testing and issued the test report SIIB/DRI 9032 dated 29.01.2026 in r/o TM no. 448 dated 07.01.2026. The test report is as mentioned below:-

***“Report:-The sample as received is in the form of a cut piece of **dyed (black coloured) woven fabric having lamination (transparent film) on one side.*****

***The base fabric is composed of **polyester filament yarn (textured) and laminated film is composed of polymeric material based on polyurethane (PU)*****

*GSM (as such) = 131.14*

*Width (selvedge to selvedge) =146 cm*

*% Composition:*

*Polyester = 95.66 % by wt.*

*Laminating material = balance.*

*Note- the sample is laminated fabric, hence, azo dye could not be ascertained.*

*Sealed remnant sample returned here with.”*

**3.2.** The importer has declared the goods in the Bill of Entry as: “Polyester Laminated Fabrics” and classified the same under Customs Tariff Heading (CTH)

59039090. Relevant Tariff Provisions of Chapter Heading 5903 of the Customs Tariff covers:

*“Textile fabrics impregnated, coated, covered or **laminated with plastics**, other than those of heading 59.02.”*

The relevant tariff entries are as under:

- 590310 – With Polyvinyl Chloride (PVC)
  - 59031010 – Imitation leather fabrics, of cotton
  - 59031090 – Other
- 590320 – **With Polyurethane**
- 59032010- Imitation leather fabrics, of cotton
- **59032090- Other**

**3.3.** In the present case, the CRCL test report clearly establishes that the base fabric is polyester filament yarn and the lamination material is of Polymeric material based on polyurethane (PU). Heading 5903 of the Customs Tariff covers textile fabrics impregnated, coated, covered or laminated with plastics. Sub-heading 590320 specifically covers such fabrics coated/laminated with polyurethane (PU). Since the base fabric is polyester and not cotton, the appropriate classification is **CTH 59032090**.

**3.4.** In view of the above, it is observed that the description, composition and tariff classification of the fabric declared in the Bill of Entry, it is noted that the importer has wrongly classified the said fabric under CTH 59039090, whereas, in actual the fabric is classifiable under the **CTH 59032090**.

**3.5.** Further, it is observed that the importer has declared the quantity of the fabric in Square Metres (SQM) as 1,20,227 SQM. However, based on the actual weight of 27,878 KGs the cargo found during examination and GSM 131.14 reported by the CRCL, Kandla, the quantity of the fabric has been determined on the basis of the formula, i.e.:

$$\text{Quantity in SQM} = (\text{Weight in KGs} \times 1000) / \text{GSM}$$

Applying the above formula, the actual quantity of the fabric works out to:  $(27,878 \times 1000) / 131.14 = \mathbf{2,12,580.448 \text{ SQM}}$  (approx.). Thus, the actual quantity of the impugned goods is found to be 2,12,580.448 SQM, as against 1,20,227 SQM declared by the importer.

**3.6.** In view of the above, it is evident that the importer has not declared the true and correct quantity of the fabric in the statutory unit of SQM, which has a direct bearing on the assessment of duty. The declaration of a lesser quantity has resulted in assessment of the goods on an understated quantity, thereby leading to short-payment of applicable customs duty.

**3.7.** Accordingly, the goods are required to be re-assessed on the basis of the actual quantity of 2,12,580.448 SQM and actual CTH 59032090, as determined above. The differential duty arising on account of the mis-declaration of quantity and misclassification is therefore required to be recovered from the importer in accordance with the provisions of the Customs Act, 1962.

#### **4. Rejection of transaction value of the imported goods and determination of the value of the import goods**

**4.1.** As discussed in the foregoing paras, it has been established that the importer has mis-classified and mis-declared the quantity of the imported fabric in the statutory unit of Square Metres (SQM). Since quantity is a critical element for determination of assessable value where the goods are assessed on SQM basis, the value declared by the importer cannot be accepted as the true transaction value under the provisions of Section 14 of the Customs Act, 1962, read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Accordingly, the declared transaction value appears liable to be rejected in terms of Rule 12 of the Customs Valuation Rules, 2007.

**4.2.** In the present case, the importer has declared the assessable value of the goods covered under Z-Type Bill of Entry No. 5772688 dated 18.11.2025 as Rs. 13,98,841/-. However, in view of the established mis-declaration of quantity, the declared assessable value does not represent the actual value of the imported goods and hence cannot be accepted for assessment purposes. Therefore, the declared transaction value is liable to be rejected under Rule 12 of the Customs Valuation Rules, 2007, and the value of the imported goods is required to be re-determined by sequential application of Rules 4 to 9 of the said Rules.

**4.3.** In the absence of contemporaneous import data of identical or similar goods in comparable commercial quantities and at the same level of trade, and considering the variation in quality, GSM, coating characteristics and other

technical parameters of the impugned goods, the value of the imported goods could not be determined under Rules 4, 5, 6, 7 or 8 of the Customs Valuation Rules, 2007. Accordingly, the value of the imported goods is required to be determined under the residual method prescribed under Rule 9 of the said Rules.

**4.4.** Therefore, to determine the fair and correct value of the imported goods, the opinion of a Government-empanelled Chartered Engineer was sought. The empanelled Chartered Engineer vide his Report No. ABJ:INSP:CE:MUN:SIIB:HOL:BRI:25-26:15 dated 11.02.2026, after examining the nature, GSM, coating, market conditions and other relevant factors, has determined the fair CIF value of the goods at USD 0.18 per SQM. Based on the actual quantity of 2,12,580.448 SQM, as determined earlier, the total re-determined CIF value of the imported goods works out to USD 38,264.481, which is equivalent to Rs. 34,24,671 (at exchange rate Rs. 89.5 per USD). The details are as under in table 3

**Table 3**

BE No. & Date	Quantity in SQM	Unit Rate	Declared CIF value in USD	value of 1 USD in Rs.	CIF value declared in Rs.	Quantity in SQM found as per examination report	Re-determined CIF value by CE	Re-determined CIF value in USD	Re-determined CIF value declared in Rs.
5772688 dated 18.11.2025	120227	0.13	15629.51	89.5	1398841	212580.448	0.18	38264.48	3424671

**4.5.** Thus, the re-determined assessable value of the imported goods is Rs. 34,24,671/-, as against the declared assessable value of Rs. 13,98,841/-. The valuation so determined by the empanelled Chartered Engineer represents the fair market value of the imported goods and is therefore liable to be adopted for assessment under Rule 9 of the Customs Valuation Rules, 2007.

**4.6.** Based on the re-determined value and the correct quantity of the imported goods, the total duty liability of the importer has been worked out as Rs. 9,62,333/- comprising BCD, Social Welfare Surcharge and IGST, as detailed in the duty calculation sheet annexed. The importer, however, has discharged customs duty amounting to Rs. 3,93,074/- on the basis of the declared value and quantity. The details are as under table 4;

**Table 4**

Sr. No.	Description of Goods	Total Quantity	Unit	Total Value (USD)	Total Value (INR) @ Rs. 89.5/USD	BCD 20% (Rs.)	SWS @ 10% BCD (Rs.)	IGST @ 5% (Rs.)	Total Duty (Rs.)
1	Polyester Laminated Fabric	2,12,580.448	SQM	38,264.481	34,24,671	6,84,934	68,493	2,08,905	9,62,333

**4.7.** Accordingly, in view of the re-determined value, the duty payable has been re-calculated as mentioned below in table 5:-

**Table 5**

BE No. & Date	Assessable Value (₹)	Duty Declared - BCD (₹)	Duty Declared - SWS (₹)	Duty Declared - IGST (₹)	Total duty payable declared	Re-determined value	Duty Actually Payable - BCD (₹)	Duty Actually Payable - SWS (₹)	Duty Actually Payable - IGST (₹)	Total duty actually payable
5772688 dated 18.11.2025	1398841	279768	27977	85329	393074	3424671	684934	68493	208905	962333

Accordingly, a differential duty amounting to Rs. 5,69,258/- is required to be recovered from the importer. The said amount represents the short-paid duty arising due to mis-classification, mis-declaration of quantity and consequential undervaluation of the imported goods.

**4.8.** Since the imported goods were found to be mis-classified and mis-declared in terms of quantity and value, the assessment made in the Bill of Entry No. 5772688 dated 18.11.2025 is liable to be re-assessed under Section 17(4) of the Customs Act, 1962. Further, the goods are liable for confiscation under Section 111(m) of the Customs Act, 1962, and the importer is also liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. Further, penalty under section 114AA is also to be imposed for submission of false documents containing wrong CTH and incorrect quantity.

## **5. LEGAL PROVISIONS:**

**5.1. 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;

**5.2. Section 2 (39)** of the Customs Act, 1962, '**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;

**5.3. 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.

**5.4. 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:

...

*(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.*

...

**5.5. 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.*

**5.6. 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.

**5.7. 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.

#### **5.8. 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.*

## **6. Outcome of Investigation:**

**6.1.** After introduction of self-assessment vide Finance Act, 2011, the onus lies on the importer to make true and correct declarations in all respects in the Bills of Entry and to pay the correct amount of Customs duty. In terms of Section 46(4) of the Customs Act, 1962, the importer is required to make a declaration as to the truth of the contents of the Bill of Entry submitted for assessment of Customs duty.

**6.2.** On the basis of specific intelligence regarding mis-declaration of quantity and consequential undervaluation in the import consignment of M/s. Bright Impex, SCO No. 3, 97 Arce Scheme, 2nd Floor, D Block, Ranjit Avenue, Amritsar-143001 (IEC: GDMPS1443C), imported under Bill of Entry No. 5772688 (Z-Type) dated 18.11.2025, filed at Custom House, Mundra, an investigation was initiated by the CIU Section and then transferred to Special Intelligence and Investigation Branch (SIIB). The outcomes of the investigation are as follows:

1) Examination and Findings:

- a. The examination of Container No. TGBU8741495 (1 × 40 FT) conducted on 19.12.2025 revealed that the importer had declared the goods as Polyester Laminated Fabric classifiable under CTH 59039090, whereas, as per test report the goods are in actual classifiable under CTH 59032090.
- b. Samples drawn during examination were forwarded to CRCL, Kandla, which confirmed that the goods are woven fabric having lamination (transparent film) on one side, composed of polyester filament yarn (texturised) with polyurethane-based lamination, and reported the GSM of the fabric as 131.14.
- c. However, the importer had mis-classified the goods under CTH 59039090 instead of the correct CTH 59032090. Further, it was observed that the importer declared the quantity of the goods in Square Metres (SQM) as 1,20,227 SQM in the Bill of Entry.
- d. During examination, the actual weight of the imported goods was found to be 27,878 KGs. Since the statutory unit of quantity under the applicable tariff heading is SQM, the actual quantity of the goods was determined on the basis of the GSM reported by CRCL, Kandla and the actual weight found during examination, using the standard textile formula.
- e. On such determination, the actual quantity of the imported goods was found to be 2,12,580.448 SQM, which is substantially higher than the quantity declared by the importer, clearly establishing mis-declaration of quantity.

- 2) Valuation of the Goods:
  - a. The importer declared an assessable value of Rs. 13,98,841/- for the goods imported under the said Bill of Entry.
  - b. In view of the established mis-declaration of quantity, the declared transaction value was found not to represent the true and correct value of the imported goods in terms of Section 14 of the Customs Act, 1962 read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.
  - c. Accordingly, the declared value was rejected under Rule 12 of the Customs Valuation Rules, 2007, and the value of the imported goods was re-determined under Rule 9 of the said Rules with the assistance of a Government-empowered Chartered Engineer. As per CE report, the CIF value has been re-determined as Rs. 34,24,671/-.
- 3) Classification: In view of the CRCL, Kandla test report, the imported goods are correctly classifiable under CTH 59032090. The classification declared by the importer is found to be incorrect.
- 4) Duty Evasion:
  - a. On the basis of the re-determined quantity and value, the total Customs duty liability of the importer was worked out to Rs. 9,62,333/-, whereas the importer had paid duty amounting to Rs. 3,93,074/-.
  - b. Thus, the importer is liable to pay a differential duty of Rs. 5,69,258/-, which has arisen due to mis-declaration of quantity and consequential undervaluation of the imported goods.
- 5) Conclusion:
  - a. The importer has, by acts of omission and commission, mis-declared the quantity of the imported goods in the statutory unit of SQM, resulting in understatement of assessable value and short-payment of Customs duty.

- b. By mis-classification and declaring an incorrect quantity, the importer has failed to declare true and complete particulars as required under Section 46(4) of the Customs Act, 1962, thereby amounting to wilful mis-declaration and suppression of material facts with intent to evade payment of duty.
- c. Accordingly, the goods are liable to confiscation under Section 111(m) of the Customs Act, 1962, for mis-declaration of quantity and value. Further, the importer is liable to penalty under Section 112(a)(ii) of the Customs Act, 1962.
- d. The importer has also knowingly made and used incorrect/false declarations in the Bill of Entry, therefore, they are liable for penalty under Section 114AA of the Customs Act, 1962.

**7. Waiver of Notice and Personal Hearing: -**

7. The test report and CE report have been shared with the importer under email dated 11.02.2026. The importer M/s. Bright Impex, SCO No. 3, 97 Arce Scheme, 2nd Floor, D Block, Ranjit Avenue, Amritsar-143001 (IEC: GDMPS1443C) vide their email dated 11.02.2026, has informed that they are in agreement with the test report of CRCL Kandla. Further, they have requested for waiver of the Show Cause Notice and personal hearing in the matter. Also vide letter dated 28.02.2026 Importer requested for re-export the cargo citing the financial reasons.

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

- a) The declared classification of the goods under CTH 59039090 in Bill of Entry No. 5772688 (Z-Type) dated 18.11.2025 whereas, the goods are classifiable under the CTH 59032090 as per CRCL, Kandla test report.
- b) The importer has mis-declared the quantity of the imported fabric in the statutory unit of Square Metres (SQM). While the importer declared the quantity as 1,20,227 SQM, the actual quantity works out to 2,12,580.448 SQM, thereby establishing mis-declaration of quantity.
- c) Since quantity is a crucial element for assessment where duty is leviable on SQM basis, the declared transaction value of Rs. 13,98,841/- does not represent the true transaction value in terms of Section 14 of the Customs Act, 1962 read with the Customs Valuation (Determination of Value of

Imported Goods) Rules, 2007, and is therefore liable to be rejected under Rule 12 of the said Rules.

- d) The self-assessment done by the importer is liable to be rejected, and the Bill of Entry is required to be re-assessed under Section 17(4) of the Customs Act, 1962, resulting in a differential duty liability of Rs. 5,69,258/- (total duty liability of Rs. 9,62,333/- minus duty already paid Rs. 3,93,074/-).
- e) The goods imported vide Bill of Entry No. 5772688 (Z-Type) dated 18.11.2025, having been mis-declared in respect of quantity and value, are liable for confiscation under Section 111(m) of the Customs Act, 1962.
- f) The importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962, for having rendered the goods liable to confiscation by reason of such mis-declaration.
- g) The importer is also liable for penalty under Section 114AA of the Customs Act, 1962, for having knowingly made and used incorrect declarations in the Bill of Entry, which they knew or had reason to believe to be false.

## **DISCUSSION AND FINDINGS**

9. I have carefully gone through the Investigation report No. 263/2025-26 dated 13.02.2026 issued by the Deputy Commissioner of Customs (SIIB), Mundra as received from the SIIB. I find that the importer vide their email dated 11.02.2026 has stated that they do not want any show cause notice and personal hearing. Thus, I find that the principle of natural justice as provided in section 122A of the Customs Act, 1962 has been complied. Now, I proceed to decide the case on the basis of the documentary evidence available on records.

10. 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 classification of the goods i.e. 59039090 as declared by the importer in the said Z type BEs 5772688 dated 18.11.2025 are liable to be rejected and the goods are required to be re-classified under CTH 59032090 and Whether the said Z type BEs No. 5772688 dated 18.11.2025 are liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962?
- ii. Whether the quantity of goods as declared by the importer in the said Z type BEs 5772688 dated 18.11.2025 as 1,20,227 SQM is liable to be

rejected, and the actual, quantity of goods as found as 2,12,580.448 SQM, is taken for assessment indicating misdeclaration of quantity.

- iii. Whether the assessable value of the mis-declared imported goods is liable to be re-determined instead of as declared in the Bills of Entry under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962. The details are as under:-

BE No. & date	Declared Value	Re-determined Value
5772688 (Z-Type) dated 18.11.2025	13,98,841/-	34,24,671/-

- iv Whether the Customs duty involved in the imported goods is liable to be re-determined instead of as declared in the Bills of Entry. The details are as under:-

Particulars	Declared in the BE	Re-determined	<b>Resulting in a short-levy of</b>
	Amount in Rs.	Amount in Rs.	
Total Duty	3,93,074/-	9,62,333/-	<b>5,69,258/-</b>

- v Whether the said Bills of Entry No. 5772688 dated 18.11.2025 (Z-Type) is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962;
- vi Whether the goods have been imported by way of mis-declaration in contravention of Sec 46 of the Customs Act, 1962 and are therefore liable for confiscation under Section 111(m) of the Customs Act, 1962 in the Bill of Entry;
- vii Whether the importer importer is liable for Penalty under Section 112(a)(ii) of the Customs Act, 1962 ;
- viii Whether the importer importer is liable for Penalty under Section 114AA of the Customs Act, 1962;

**11.** I find that **M/s. Bright Impex**, had filed Z-Type Bills of Entry no. 5772688 dated 18.11.2025 for clearance of goods viz. Polyester Laminated Fabric with details as under in table 6:

**Table 6**

Sr. No	CTH	Description	Quantity	UQC	SQM
1	59039090	Polyester Laminated Fabric	27,913	KGs	1,20,227 SQM

**12.1** I find that the said consignments were placed on hold by CIU Section, Custom House, Mundra based on an intelligence. The examination of the consignments was carried out on 19.12.2025 in the presence of officer of CIU Section and Shri Amol Prakash Patil, Authorized Representative of M/s. Holistic Global Corporation, Mundra and the importer under Panchnama dated 19.12.2025.

**12.2** I also find that during the examination it is noticed that the container's seal was found intact and matched with the details present in the Bill of Lading. The container had **1,437 rolls of fabric**, same as the declared quantity. The goods found were fabric rolls of different colours, each individually wrapped in transparent polythene packing. On examination of fabric rolls, fabric appears same on touch and feel, apart from the colour difference. Thereafter, no. of rolls were counted and a total of 1437 rolls were found and weight of the fabric rolls on average basis is measured and found to be approx. 19.40 KGs per roll. The details of the examination conducted are as under in Table no. 7

**Table 7**

Description of Goods	No. of Fabric rolls declared in BE	No. Fabric rolls found during examination	Average weight per roll	Total weight of cargo found during examination (Approx)
Polyester Laminated Fabrics (CTH 59039090)	1437	1437	19.40 KGs	27,878

**12.3** I find that to ascertain the exact nature, composition and description of the fabrics, the representative samples were drawn during examination for laboratory testing in the presence of importer authorised person, CIU officer and the panchas. Further, Shri Amol Prakash Patil authorized representative of M/s Holistic Global Corporation and the importer, were instructed to keep the goods in safe custody and not to move or deal with the consignment without SIIB's permission, pending further investigation.

**12.4** I find that the CIU Section has transferred the case to SIIB section Mundra for further investigation.

#### **Determination of classification/quantity**

**13.1** I note that the samples drawn during examination were forwarded to CRCL, Kandla vide Test Memo No. 448/2025-26 dated 07.01.2026 to ascertain/confirm the nature and description of the material used for the said imported items.

**13.2** I find that the CRCL, Kandla Lab vide their Lab report no. SIIB/DRI 9032 dated 29.01.2026 in r/o TM no. 448/2025-26 dated 07.01.2026 has submitted the following observations.

As per the test report, details are as under

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

*The base fabric is composed of **polyester filament yarn (textured) and laminated film is composed of polymeric material based on polyurethane (PU)***

*GSM (as such) = 131.14*

*Width (selvedge to selvedge) = 146 cm*

*% Composition:*

*Polyester = 95.66 % by wt.*

*Laminating material = balance.*

*Note- the sample is laminated fabric, hence, azo dye could not be ascertained.*

*Sealed remnant sample returned here with."*

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 CRCL test report it clearly establishes that the base fabric is polyester filament yarn and the lamination material is of Polymeric material based on polyurethane (PU). Heading 5903 of the Customs Tariff covers textile fabrics impregnated, coated, covered or laminated with plastics. Sub-heading 590320 specifically covers such fabrics coated/laminated with polyurethane (PU). Since Polyurethane is a type of plastics. Hence, it, prima facie, appears to be 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 + 10% SWS+5% IGST.**

**13.3** In view of the above test results, I find that the importer has not correctly declared the description of the fabric. The importer has declared the goods as Polyester Laminated Fabric -59039090; however, the laboratory reports corroborate the observations recorded during examination that the consignment actually consists of fabric with coating of Polyurethane. As per the CRCL, Kandla reports, the goods comprise:

1. Polyester Laminate Fabrics(Texturized) classifiable under CTH 5903 2090 with coating of Polyurethane and with GSM 131.14,

Accordingly, the importer's declaration of the Polyester Laminate Fabrics under CTH 59039090 is found to be incorrect and not in conformity with the actual nature and composition of the goods i.e. PU Laminated Fabric under CTH 59032090. Further, the GSM of the Polyester Dyed Fabrics are also found to be declared incorrect in BOE filed by the importer.

**13.4** I further note that the importer has declared the quantity of the fabrics in the Z-type Bills of Entry No. 5772688 dated 18.11.2025 as **1,20,227 SQM**. I further find that as per the test report the fabrics are of different GSM than declared. Accordingly, the quantity in square meters (SQM) must be recalculated in accordance with the actual GSM of the fabric ascertained during testing. The actual quantity of fabric (in SQM) will be calculated based on the formula:

Quantity in SQM =  $\frac{\text{Weight (in kg)} \times 1000}{\text{GSM}}$  Using this formula, based on the weight

ascertained during examination and the GSM reported by CRCL, Kandla, I find that the importer has **mis-declared the actual quantity of the fabrics**. It is noted that the quantity in SQM mentioned in the said Z type BE is **1,20,227 SQM**, whereas, as per the test report, the quantity in the SQM should be **2,12,580.448 SQM**. From this, I am of the view that the importer has misdeclared the quantity in BOE as **1,20,227 SQM** against the actual quantity imported as **2,12,580.448 SQM**.

### **Determination of Valuation**

**14.1** I find that since there is misdeclaration in terms of quantity of goods as well as Classification of goods as discussed above. Thus, there is prima facie doubt regarding the valuation of the goods, the goods appeared to be undervalued as declared by the importer. Accordingly, to ascertain the correct value of the imported goods, it was considered necessary to obtain an assessment from the Chartered Engineer. This was essential to ensure accurate valuation in terms of the Customs Valuation Rules and to determine the fair market value of the goods.

**14.2** I further find that the description and classification of goods are found to be incorrect and also the quantity of goods as mentioned above in para13.4, is found to be mis-declared, which also raised a doubt on the valuation of the goods. Thus, I find that the declared value cannot be accepted 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. Accordingly, the value is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of Customs Valuation.

**14.3** I find that following are the provision related to valuation of the goods under Customs Valuation (Determination of Value of Imported Goods) 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.*

**14.4** I find 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".

**14.5** 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*.

**14.6** I find that Rule 4 (1) (a) of Rules 2007 stipulates determination of value of goods based on value of identical goods. Rule 5, providing for transaction value of similar goods. I observed that the imported goods were found with no specification, 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.

**14.7** I find that valuation cannot be determined under Rule 4 to 8 of the CV Rules due to lack of contemporaneous data for identical imports. I further find that to ascertain the value of cargo, attempts have been made to get the details from the previous bills of entry filed by the importer and as well as NIDB data for similar and identical goods during the relevant period was done. However, due to various items

without specification and detail, valuation of identical or similar goods cannot be ascertained. Thus, valuation of the goods under import cannot be determined in terms of Rule 4 to 8 of the CV Rules. Therefore, valuation of the goods is found appropriate to be determined under residual method of valuation provided under Rule 9 of the CV Rules.

**14.8** I find that to determine the value of goods as per Rule 9 of the CV Rules the opinion of the empanelled Chartered Engineer was sought for determination of the value of the goods under import. The Chartered Engineer vide his Report No. – ABJ:INSP:CE:MUN:SIIB:HOL:BRI:25-26:15 dated 11.02.2026 has suggested the value of the imported goods as 38,264.481 USD, as detailed below Table-8 below;

**Table 8**

BE No. & Date	Quantity in SQM	Unit Rate	Declared CIF value in USD	value of 1 USD in Rs.	CIF value declared in Rs.	Quantity in SQM found as per examination report	Re-determined CIF value by CE	Re-determined CIF value in USD	Re-determined CIF value declared in Rs.
5772688 dated 18.11.2025	120227	0.13	15629.51	89.5	1398841	212580.448	0.18	38264.48	3424671

From above, I find that the total assessable value of goods as assessed by the empanelled chartered engineer as **38264.48 USD equivalent to Rs 34,24,671**. The importer as however declared the assessable value as **15629.51 USD equivalent to Rs 13,98,841/-**. Therefore, there is undervaluation in assessable value to an amount of **Rs 20,25,830/-** on account of importer.

**14.9** I find that since the value of the goods has been re-determined in terms of the foregoing discussion, the duty liability on the imported goods is also required to be re-computed based on the applicable rates of duty. Accordingly, I find that this is a clear case of non-levy/short-levy of Customs duty on account of incorrect declaration made by the importer. The re-determined assessable value and the corresponding duty liability are computed as under in table No. 9 :—

**Table 9**

Sr. No.	Description of Goods	Total Quantity	Unit	Total Value (USD)	Total Value (INR) @ Rs. 89.5/USD	BCD @ 20% (Rs.)	SWS @ 10% of BCD (Rs.)	IGST @ 5% (Rs.)	Total Duty (Rs.)
1	Polyester	2,12,580.448	SQM	38,264.481	34,24,671	6,84,934	68,493	2,08,905	9,62,333

Sr. No.	Description of Goods	Total Quantity	Unit	Total Value (USD)	Total Value (INR) @ Rs. 89.5/USD	BCD @ 20% (Rs.)	SWS @ 10% of BCD (Rs.)	IGST @ 5% (Rs.)	Total Duty (Rs.)
	Dyed Fabric Laminated with PU								

**14.10** In view of the above, I conclude that the importer has declared the total assessable value of the consignment as **Rs. 13,98,841/- [15629.51 /- USD]** in the SEZ Z Type Bill of Entry No. 5772688 dated 18.11.2025. However, as per the valuation report submitted by the Chartered Engineer the value of the consignment is **Rs. 34,24,671/- (38264.48 /- USD )**. Thus, the subjected consignment has been undervalued to the extent of **Rs. 20,25,830/-** on account of mis-declaration of the imported goods by the said importer.

**14.11** From above discussion, I further conclude that, by way of mis-declaration and undervaluation of the items in terms of description and value, as discussed above, there is short levy of the Customs duty to the tune of **Rs. 5,69,258/-** as the duty redetermined on revised valuation comes to be **Rs 9,62,333/-** as against the duty declared by the importer in the BOE as **Rs. 3,93,074/-**. The same has been shown under table 10 below;

**Table 10**

BE No. & Date	Assessable Value (₹)	Duty Declared - BCD (₹)	Duty Declared - SWS (₹)	Duty Declared - IGST (₹)	Total duty payable declared	Re-determined value	Duty Actually Payable - BCD (₹)	Duty Actually Payable - SWS (₹)	Duty Actually Payable - IGST (₹)	Total duty actually payable
5772688 dated 18.11.2025	1398841	279768	27977	85329	393074	3424671	684934	68493	208905	962333

**15. Violation of Section 46 and Section 17 - Misdeclaration, Misclassification & Undervaluation:-** In view of the above findings, I note that the importer has contravened the provisions of Section 46 and Section 17 of the Customs Act, 1962 by acts of omission and commission, inasmuch as they failed to make a true, correct and complete declaration in the Bills of Entry and failed to correctly assess their duty liability. I find that M/s. Bright Impex has wilfully misdeclared the description, quantity, classification, and value of the imported

goods covered under the above-mentioned Bills of Entry with the intention to evade customs duty. Section 46(4A) stipulates that the importer, while presenting the Bill of Entry, must ensure the accuracy and completeness of the information furnished and the authenticity and validity of supporting documents. Further, Section 17(1) read with Section 17(2) of the Customs Act, 1962 and CBIC Circular No. 17/2011-Customs dated 08.04.2011 casts a heightened responsibility on the importer to correctly self-assess the classification, valuation, duty rate, country of origin and all other relevant particulars. By mis-declaring quantity, classification, and valuation, the importer has violated Section 46 and Section 17. Their deliberate acts of misdeclaration and undervaluation have resulted in a differential duty liability of Rs. **5,69,258/-** (Rupees Five Lakh Sixty-Nine Thousand Two Hundred Fifty-Eight Only). This differential duty is liable to be demanded and recoverable from the importer.

**16. Liability for Confiscation & Penalty:** - I find that the importer mis declared the goods in the said BOE in respect of, classification, description, quantity, assessable value and duty. Thus, this act of importer has made the goods declared in said BOE liable for confiscation under Section 111(m) of the Customs Act, 1962, and the importer has rendered themselves liable to penalty under Section 112(a) for the same.

**17. Liability under Section 114AA – Use of False Documents:** - I further find that the importer did not present true and correct facts at the time of filing the Bills of Entry. The importer knowingly submitted false and incorrect documents such as the Bill of Lading, invoices and packing lists, containing incorrect and misleading particulars regarding the quantity, and valuation of the goods. By knowingly using such documents containing false material particulars, the importer has rendered themselves liable to penalty under Section 114AA of the Customs Act, 1962, which provides that 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 any business under the Act shall be liable to penalty.

**18.1** As the impugned goods have been found liable to confiscation under Section 111(m) of the Customs Act, 1962, 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.”*

18.2 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 for clearance for home consumption, wherever their clearance is not restricted under any policy or statutory provision. However, the owner also retains the right to re-export the goods instead of seeking redemption for home consumption.

18.3 In the instant case, the goods are dutiable but not prohibited under the Customs Tariff Act, 1975 or the Foreign Trade (Development & Regulation) Act, 1992. There exists no restriction or prohibition under any policy framework which would prevent their clearance for home consumption or their re-export.

18.4 The importer, vide their letter dated 28.02.2026, has expressly requested permission for re-export of the impugned goods instead of seeking clearance for home consumption. Accordingly, the request for re-export is considered and examined in lieu of exercising the option for redemption fine under Section 125(1) of the Customs Act, 1962.

18.5 Since the goods are non-prohibited and dutiable, and the importer has specifically opted for re-export, permission for re-export of the goods is accordingly considered subject to compliance with applicable re-export conditions.

**19.** In view of the discussions in the foregoing paras, I pass following order:

**ORDER**

- i. I order to reject the self-assessment made by the importer for Z type Bill of Entry No. 5772688 dated 18.11.2025 under section 17(1) of the

Customs Act,1962. Further, I order to reassess the said Z-Type Bill of Entry No. 5772688 dated 18.11.2025 under the provision of section 17(4) of the Customs Act, 1962 as per Para 13.3,13.4, 14.8, 14.9 and Table-8 & Table 10. The duty so arising consequent to such re-assessment will be payable by the importer.

- ii. I order for confiscation of the goods imported under the Z Type Bill of Entry no. 5772688 dated 18.11.2025 which is having total re-determined assessable value as **Rs. 34,24,671/-** under Section 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 re-deem the same **for limited purpose of re-export** only on payment of Redemption Fine of **Rs. 3,40,000/- (Rs. Three Lakh Forty Thousand Only)** in lieu of confiscation.
- iii. I impose a penalty of INR **55,000 (Rs. Fifty-Five Thousand only)** on the importer under Section 112(a)(ii) of the Customs Act, 1962 for goods imported under the said BE;
- iv. I impose a penalty of INR **50,000 (Rs. Fifty Thousand Only)** on the importer under Section 114AA of the Customs Act, 1962.

This OIO 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.

**(Dipak Zala)**  
**Addl. Commissioner of Customs**  
**Customs House, Mundra**

BY Speed Post A.D / E-mail

To, (The Noticee):-

**M/s. Bright Impex, (IEC-GDMPS1443C)**  
**SCO No. 3, 97 Arce Scheme,**  
**2nd Floor, D Block, Ranjit Avenue,**  
**Amritsar-143001**