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OFFICE OF THE COMMISSIONER OF CUSTOMS
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F. No. GEN/ADJ/ADC/1534/2026-Adjn-O/o Commr-Cus-Kandla

DIN: 20260971ML0000827C03

SHOW CAUSE NOTICE

M/s Suraj Impex (IEC-0516000476), (hereinafter referred to as 'Importer') having address KH No 38/23/1, G F Choudhary Chakki, Lal Dora, Village Prahladpur Bangar, Delhi-110042 had filed Z Bill of Entry No. 5358334 dated 28.10.2025 (RUD-1) for the import of declared goods viz. PVC Coated Fabrics under CTH- 59031090. The details of the Z Bill of Entry are as follows:

TABLE-A

Sr No.	Goods declared	Declared CTH	Declared Quantity (no. of Pkgs)	Declared Weight (in Kgs)	Declared Assessable Value (in Rs.)
1	PVC Coated Fabrics	59031090	1710	26200	5,37,455/-

2. Based on the intelligence, the consignment covered under Z bill of entry no. 5358334 dated 28.10.2025 was put on hold for SIIB examination. The examination of the consignment covered under said bill of entry was carried out under Panchnama dated 08.11.2025 (RUD-2) at M/s The Variety Impex, Unit No. 106, Godavari SDF Complex, Phase-II, Kandla SEZ, Gandhidham, in presence of Shri Sumit Saini, authorized representative of M/s. The Variety Impex and Shri Shadab Alam, representative of M/S. Varun Chandok & Associates, Mundra (Government Approved Valuer). During the examination, it was found that the goods were fabric rolls wrapped in transparent plastic wraps of total three types of varieties (as per type of fabric) in different colors of each variety having color name mentioned on them, and on counting the number of rolls, it was found, there were 1710 rolls. Thereafter, the length and width of randomly selected rolls of each type were checked. Further, the goods were not in

pieces but were in type of complete rolls with three varieties. The weight of the goods was found as 26,260 Kgs, as per weighment slip of Milak Weigh-Bridge, KASEZ. Thereafter, to ascertain the exact nature and composition of fabrics, the representative samples of each type of fabric were drawn for lab testing. The details of the goods found during examination were as under:

Sr.	Type of Rolls	No. of Rolls	Length (in mtr)	Width (in mtr)	Total SQM
1	Type 1	377	58.5	1.524	33611
2	Type 2	117	56	1.524	10118
		3	29	1.524	
3	Type 3	1207	56	1.524	103275
		6	29	1.524	
Total		1710			147004

The quantity and/ or weight of the declared goods appear approx. same as declared by the importer in the said bill of entry. However, the goods appeared to be 03 different type of fabrics instead of declared only single type of fabric. Further, the importer had declared the quantity of goods in UQC as 74898 SQM only, in place of actual quantity found during examination, i.e. 1,47,004 SQM,. Therefore, the goods appear to have been mis-declared under the said bill of entry.

3. Thereafter, the goods were seized under Seizure memo dated 25.11.2025 and handed over to M/s The Variety Impex under Supratnama dated 25.11.2025 (RUD-3). The extension of six months was granted by the competent authority on dated 22.05.2026 to complete the investigation under section 110(2) of Customs act 1962.

4. The test reports LAB No-SIIB-7133 dated 28.11.2025, 7134-SIIB/10-11-2025 dated 01.12.2025 and LAB NO-7135/SIIB dated 27.11.2025 were received from Custom House Laboratory (CRCL), Kandla (RUD-4). The relevant portion of the same are reproduced hereunder:

- a. **Test reports LAB No-SIIB-7133 dated 28.11.2025 in respect of Test Memo No. TM/SIIB/332/2025-26 (Marks & No.: A-1, Type-1):**

“REPORT:-The sample as received is in the form of a cut piece of dyed (black coloured) fabric having coated surface on one side (selvedge on one side).

The base woven fabric is composed of polyester filament yarn (non-textured) and coating is composed of polymeric material.

GSM (as such) = 201.79

% composition

Polyester = 97.02 %

Coating =balance

It does not answer test of PVC and Type of coating could not be ascertained.

Sealed remnant sample returned here with”.

- b. **Test reports 7134-SIIB/10-11-2025 dated 01.12.2025 in respect of Test Memo No. TM/SIIB/333/2025-26 (Marks & No.: B-1, Type-2):**

“

<i>Test Report:</i>	
<i>Nature:</i>	<i>The sample as received is in the form of cut piece of dyed (blue colour) woven fabric having polymeric coating on one side.</i>
<i>Composition</i>	<i>Base fabric is composed of polyester filament yarns (texturised) and coating is composed of polymer based on polyurethanes (PU). GSM (as such) = 201.4 Selvedge to Selvedge width (cms) = one side selvedge. % composition % of Polyester = 85.92% by wt. % of Coating material (PU)=balance</i>
<i>Notes/Comments:</i>	<i>Sealed remnant sample returned herewith.</i>

”

- c. **Test reports LAB NO -7135/SIIB dated 27.11.2025 in respect of Test Memo No. TM/SIIB/334/2025-26 (Marks & No.: C-1, Type-3):**

“REPORT:-The sample as received is in the form of a cut piece of dyed (black colored) woven fabric having polymeric coating on one side.

The base woven fabric is composed of polyester filament yarn and coating is composed of polymer based on compounded polyvinyl chloride (PVC).

GSM (as such) = 133.79 width (selvedge to selvedge)= one side selvedge

% composition

Polyester = 78.98 % by wt.

Coating material (PVC)=balance

Sealed remnant sample returned here with”.

In view of the above, it appears that as per above CRCL test reports, there are 03 different type of fabrics, however the importer has declared all the goods as PVC Coated Fabrics under CTH- 59031090. Therefore, the goods appear to have been mis-declared.

5. To ascertain the correct value of the goods, the opinion of emplaned Chartered Engineer was sought. The CE Varun Chandok has submitted his report vide Ref. No. VC/KASEZ/SI/@TNS186522*/5358334/XII/2025-26 dated 12.12.2025 (RUD-5), wherein he inter-alia mentioned that

“

(i) The consignment as produced is examined w.r.t. import documents..

(ii) Quantity segregation done by Examination officers/SIIB officials & according to examination report details of goods are mentioned below:

<i>Sr. No.</i>	<i>Description of goods</i>	<i>Total no. of Rolls Declared</i>	<i>Total no. of found Rolls during examination</i>	<i>Total Quantity of Fabric (SQM)</i>
<i>1</i>	<i>PVC COATED FABRICS</i>	<i>Type 1</i>	<i>377</i>	<i>33611</i>
<i>2</i>	<i>PVC COATED FABRICS</i>	<i>Type 2</i>	<i>120</i>	<i>10118</i>
<i>3</i>	<i>PVC COATED FABRICS</i>	<i>Type 3</i>	<i>1213</i>	<i>103275</i>
<i>TOTAL</i>		<i>147004</i>		

- (iii) According to test report submitted, three samples are a) Type I - Base woven fabric is composed of Polyester filament yarn and coating is composed of polymeric material b) Type 2- Base fabric is composed of Polyester filament yarn and coating is composed of polymer based on Polyurethanes (PU). c) Type 3- Base woven fabric is composed of Polyester filament yarn and coating is composed of polymer based on compounded polyvinylchloride (PVC).
- (iv) Verbal market survey was conducted for suggestive local wholesale market value of these goods of same trade. Trade was of the view that proper GSM of all the fabric material is required. Moreover grade/quality of raw material used for manufacturing is not mentioned in test report except base material. However, we tried our best efforts to obtain quotations form Traders/Manufacturers but they were reluctant to give prices in writing. However, after having fair discussions estimate suggestive present CF value of this type of fabric is mentioned in Annexure attached.

ANNEXURE (According to examination report)

Sr No.	Particular/ Description of goods as submitted and as per Test Report	QTY IN (SQM) as found during examination	INVOICE VALUE CF (IN USD) & QTY. IN INVOICE	SUGGESTIVE PRESENT CF VALUE IN USD	SUGGESTIVE PRESENT CF VALUE IN USD
1	PVC COATED FABRICS TYPE 1	33611	5991.84 & 74898 SQM.	0.32	10755.52
2	PVC COATED FABRICS TYPE 2	10118		0.23	2327.14
3	PVC COATED FABRICS TYPE 3	103275		0.20	20655.00
	TOTAL	147004	5991.84		33737.66

5.2 On the basis of CE report vide Ref No. VC/KASEZ/SI/@TNS186522*/5358334/XII/2025-26 dated 12.12.2025, it appears that the

importer has undervalued the goods imported under the Z bill of entry no. 5358334 dated 28.10.2025, as the value declared by them are less than the value ascertained by the Chartered Engineer in his above said report. The details of the same are as under:

Table-B

Sr No.	Goods found during examination	Declared Assessable Value (in Rs.)	CF Value as per CE report (in \$)	CIF Value as per CE report (in \$) (CF value + 1.125% insurance)	Assessable Value as per CE report (in Rs.)
1	PVC COATED FABRICS TYPE 1	5,37,455	10755.52	10876.5196	964747
2	PVC COATED FABRICS TYPE 2		2327.14	2353.320325	208740
3	PVC COATED FABRICS TYPE 3		20655.00	20887.36875	1852710
	Total	5,37,455/-			30,26,196/-

In view of the above, it appears that as per CE report, the total assessable value of the imported goods comes to the tune of Rs. 30,26,196/- instead of Rs. 5,37,455/- as declared in the Z bill of entry no. 5358334 dated 28.10.2025.

6. Classification of the imported goods:

As per CRCL test reports LAB No-SIIB-7133 dated 28.11.2025, 7134-SIIB/10-11-2025 dated 01.12.2025 and LAB NO-7135/SIIB dated 27.11.2025, received from CRCL, Kandla, the imported goods, i.e PVC Coated Fabrics, has been found mis-declared. Therefore, the correct Classification of the declared goods, i.e PVC Coated Fabrics, is required to be ascertained.

6.1 Classification of declared goods as “PVC COATED FABRICS” and found during examination as Fabrics (TYPE 1)”:-

The declared goods, i.e. PVC Coated Fabrics, under Z Bill of Entry no. 5358334 dated 28.10.2025 are found mis-declared in terms of classification of the goods, as per CRCL test reports. The goods were declared as “PVC Coated Fabrics” classified under CTH-59031090. Therefore, the correct Classification of the goods is required to be ascertained. The heading 5903 of the Import Tariff covers “Textile fabrics impregnated,

coated, covered or laminated with plastics, other than those of heading 59.02". The said Heading covers goods classifiable under the following sub-headings at the single dash (-) level:

- i. With poly(vinyl chloride);
- ii. With polyurethane;
- iii. Other;

All the subheadings from (i) to (ii) above have been ruled out as their composition/specifications do not meet the goods description found during CRCL test report LAB No-SIIB-7133 dated 28.11.2025. The coating has been found composed of polymeric material and therefore, the merit subheading of the impugned goods appears to be under (iii), i.e. "other". The relevant Tariff item at the triple dash (---) level:

- i. Of cotton;
- ii. Polyethylene laminated jute fabric
- iii. Other;

All the subheadings (i) to (ii) above have been ruled out as their composition/specifications do not meet the goods description found during CRCL test report and therefore, the merit subheading of the impugned goods appears to be under 59039090, i.e. "Other". Accordingly impugned goods "Fabrics (TYPE 1)" are appropriately classifiable under the heading 59039090, wherein the applicable rate of duty is 20% (BCD) + 2% (SWS) + 5% (IGST) per m².

6.2 Classification of declared goods as "PVC COATED FABRICS" and found during examination as Fabrics (TYPE 2)": -

The declared goods, i.e PVC Coated Fabrics, under Z Bill of Entry no. 5358334 dated 28.10.2025 are found mis-declared in terms of classification of the goods, as per CRCL test reports. The goods were declared as "PVC Coated Fabrics" classified under CTH-59031090. Therefore, the correct Classification of the goods is required to be ascertained. The heading 5903 of the Import Tariff covers "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02". The said

Heading covers goods classifiable under the following sub-headings at the single dash (-) level:

- i. With poly(vinyl chloride);
- ii. With polyurethane;
- iii. Other;

All the subheadings (i) and (iii) above have been ruled out as their composition/specifications do not meet the goods description found during CRCL test report 7134-SIIB/10-11-2025 dated 01.12.2025. The coating has been found composed of composed of polymer based on polyurethanes (PU) and therefore, the merit subheading of the impugned goods appears to be under (ii), i.e. "With polyurethane". The relevant Tariff item at the triple dash (---) level:

- i. Imitation leather fabrics, of cotton;
- ii. Other;

The sub-heading above (i) has been ruled out, as the goods are not "Imitation leather fabrics, of cotton". Therefore, therefore, the merit subheading of the impugned goods appears to be under 59032090, i.e. "Other". Accordingly impugned goods "Fabrics (TYPE 2)" are appropriately classifiable under the heading 59032090, wherein the applicable rate of duty is 20% (BCD) + 2% (SWS) + 5% (IGST) per m2.

6.3 In view of above, it appears that, the importer has mis-classified the imported goods under CTH-59031090 instead of correct CTH- 59039090 & CTH- 59032090 as discussed above. Consequently, it appears that the imported goods liable to be re-classified as discussed at para-supra and are also liable to be re-assessed accordingly. Accordingly, the goods appear to be liable for confiscation under Section 111 of the Customs Act, 1962.

7. Applicability of Anti-Dumping Duty (ADD):-

The Anti-Dumping Duty (ADD) has been made applicable on goods imported under CTH- 59032090 vide Notification no. 14/2022-Customs (ADD) dated 20.05.2022. As per CRCL Kandla test report, the goods "Fabrics (TYPE 2)" has been found as "*PU Coated dyed woven fabric*" and the same appear to be classifiable under CTH- 59032090. Therefore, according to Notification no. 14/2022-Customs (ADD) dated 20.05.2022, the

importer is liable to pay the anti-dumping duty at the rate of 0.46 USD per meter on the goods, i.e. "Fabrics (TYPE 2)", imported under Z Bill of Entry No. 5358334 dated 28.10.2025. The relevant portion of notification no. 14/2022-Customs (ADD) dated 20.05.2022 is reproduced hereunder:

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the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under tariff item of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country as specified in the corresponding entry in column (4), exported from the country as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entry in column (7), in the currency as specified in the corresponding entry in column (9) and as per unit of measurement as specified in the corresponding entry in column(8), of the said Table-

TABLE

Sr. No	Headin g, Sub- headin g or Tariff Item	Descriptio n of goods	Count ry of origin	Countr y of export	Produc er	Amou nt	Unit of Measureme nt	Curren cy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
--	--	--	--	--	--	--	--	
2	5903 20 90	Polyuretha ne Leather which includes any kind of textile coated one sided or both sided with Polyuretha ne	China PR	Any country includi ng China PR	Any Produc er other than S. N. 1	0.46	Meters	USD

" From the above, it appears that the importer is liable to pay Anti-Dumping Duty (ADD) at the rate of Rs. 40.802/- (0.46 USD per meter) on the goods "Fabric Type 2". The total length of the goods, i.e. "Fabric Type 2", was found during examination as 6,639 meters. Therefore, the importer appears liable to pay Anti-Dumping Duty (ADD) of Rs. 2,70,884/- on the import of goods, i.e. "Fabric Type 2". The details of the same are as under:

TABLE-C

Type of Rolls	No. of Rolls	Length (in mtr)	Total length (in mtr)	Anti - Dumping Duty per meter (at exchange rate of 1 USD = 88.7 INR)	Total Anti - Dumping Duty (ADD) payable (in Rs.)
Type 2	117	56	6552	40.802	267334
	3	29	87	40.802	3550
Grand Total			6,639		2,70,884/-

8.1 Further, during the investigation, a Summons dated 26.11.2025 (RUD-6) was issued to the importer for recording a statement. In response, statement of Shri Digvijay Singh Chauhan, Authorised representative of M/s Suraj Impex was recorded on 08.12.2025 (RUD-7), wherein, he, inter-alia stated that:-

- He stated that he is in contact with Sh. Sunil Saini (his friend), Unit holder of M/s. Variety Impex in Kandla SEZ and he helping him (Sh. Sunil Saini) in dealing with unit and the goods contained in it, as Shri Sunil usually remains out the town. That's how he get in contact with M/s. Suraj Impex.
- He stated that M/s Suraj Impex is a Proprietorship firm and established in January 2017 bearing GST Registration No. 07AAGPG6900K1ZR in the name of Smt. Savita Goel. The firm deals in Import of PVC fabric from China.
- He stated that Bill of Entry No. 5358334 dated 28.10.2025 is the consignment of M/s Suraj Impex, in which they usually deal in. Normally, they import the PVC fabric from Mundra Port and this is the first time, they import these goods in Kandla SEZ unit i.e., M/s. Variety Impex. Being economical viable, they have started to

import the goods through Kandla SEZ, as port charges are too heavy to bear. Usually, they finalize the deal of PVC fabric from China on an annual basis and later on, the overseas supplier keeps on sending the same to India intermittently, as per demand of them. They usually purchase the goods on the basis of weight of the goods.

- On being asked that *as you stated in your earlier reply, " they usually purchase the goods on the basis of weight of the goods", then why the Commercial Invoice dated 27.09.2025 was raised in USD/SQM and not in USD/KG?*

He stated that as per his knowledge, the basis of assessment in India is USD/SQM, that's why they requested the commercial invoice to be issued in USD/SQM. Normally, the supplier keeps a precautionary check for the same, keeping the weight and sqm in a balanced way.

- On being asked that during the examination dated 08.11.2025, it has been found that there is almost a difference of 72106 SQM, which is almost a double of quantity, as per declaration in Bill of Entry no. 5358334 dtd. 28.10.2025

He perused the Panchnama dated 08.11.2025 and stated that at this point, he has nothing more to say but requested to allow for provisional release of the goods and also stated that he is ready to pay differential duty by way of BG in terms of Circular No. 35/2017-Customs dated 16.08.2017 along with such additional security (cash deposit, bond or otherwise), as Department may deemed fit.

- He submitted the remittance relating documents, which has made through ICICI Bank.

8.2 Further, during the investigation, Summons dated 31.08.2026 (RUD-11) was issued to the SEZ Unit, i.e. M/s. The Variety Impex, for recording a statement. In response, statement of Shri Sumit Saini, Manager of M/s. The Variety Impex (PAN – CXDPK5825P) was recorded on 07.09.2026 (RUD-12), wherein, he, inter-alia stated that:-

- He stated that he looks after the filing of documents viz. Z bill of entry and T bill of entry, DTA clearance of goods for M/s. The Variety Impex.
- He stated that their company, M/s. The Variety Impex is engaged in warehousing of various types of Textile Fabrics etc. at Kandla SEZ.
- He perused the bill of entry no. 5358334 dated 28.10.2025 and stated that the said bill of entry has been filed by them for the import of PVC coated Fabric under CTH-59031090.
- He stated that they do not have any direct contact with the importer. The forwarder, M/s Ocean Logistic (GSTIN: 07BAQPK5335K1Z9) has provided the documents viz. KYC documents, BL copy, invoice, packing list etc. for filing of customs documents. Thereafter, they had filed the said bill of entry.
- He perused the CRCL Kandla test reports viz. LAB No-SIIB-7133 dated 28.11.2025, 7134-SIIB/10-11-2025 dated 01.12.2025 and LAB NO-7135/SIIB dated 27.11.2025 and stated that the imported goods viz. Fabric Type 1 and Fabric Type 2 appear mis-declared as per CRCL test reports. Further, he stated that they had filed bill of entry

on the basis of invoice and packing list and is not able to make any comments on the mis-declaration of goods.

- He perused the valuation report ref no. VC/KASEZ/SI/@TNS186522*/5358334/XII/2025-26 dated 12.12.2025 submitted by M/s Varun Chandok & Associates (Government Approved Valuer) and stated that he is unable to make any comments on the same
- He perused the Notification no. 14/2022-Customs (ADD) dated 20.05.2022 and stated that he is unable to make any comments on the same.

8.3 Further, during the investigation, a Summons dated 31.08.2026 (RUD-13) was issued to the importer, for recording a statement. In response, statement of Shri Paramvir Singh, Authorised representative of M/s Suraj Impex was recorded on 08.09.2026 (RUD-14), wherein, he, inter-alia stated that:-

- He stated that he looks after the trading work of Fabrics for M/s. Suraj Impex.
- He stated that M/s. Suraj Impex is engaged in import and trading of various types of Textile Fabrics, mainly PVC coated and PA coated Fabrics.
- He perused the CRCL test reports viz. LAB No-SIIB-7133 dated 28.11.2025, 7134-SIIB/10-11-2025 dated 01.12.2025 and LAB NO-7135/SIIB dated 27.11.2025 and agreed with the same. He further stated that the imported goods viz. Fabric Type 1 and Fabric Type 2 appeared mis-declared as per CRCL test reports. He also stated that they had placed the order for import of PVC coated fabric. On enquiry, the supplier has informed that the goods PU Coated Fabric has been dispatched due to mistake. The PU Coated Fabric was loaded on the roller prior to PVC coated Fabric and in continuity, some rolls of PU coated fabric has been stuffed with PVC coated fabric. As per their opinion, the correct classification of the goods should be as under:

Goods found during Examination	Appropriate correct CTH
Fabric Type 1	59039090
Fabric Type 2	59032090
Fabric Type 3	59031090

- He perused the valuation report ref no. VC/KASEZ/SI/@TNS186522*/5358334/XII/2025-26 dated 12.12.2025 submitted by M/s Varun Chandok & Associates (Government Approved Valuer) and agreed with the CE valuation report.

- He perused the Notification no. 14/2022-Customs (ADD) dated 20.05.2022 and stated that as per this notification, the Anti-Dumping Duty (ADD) is applicable on the import of PU coated woven fabric at the rate of 0.46 USD per meter. As per CRCL test reports, some of their imported goods found during examination, i.e. Fabric Type 2, is PU Coated Woven Fabric and the ADD at the rate of 0.46 USD per meter is applicable on the same.
- He further stated that it was un-intentional mistake. The supplier has admitted his mistake of sending other goods in place of goods ordered. Further, the quantity of PU coated fabric is very low, only 120 rolls out of 1710 rolls. He also stated that they are ready to pay any duty, fine & penalty, if arises, and they do not want any show cause notice and requested to decide the matter on merit. Further, he also requested to release the goods provisionally pending adjudication of the case.

In view of the above, it appears that, the importer has mis-declared the imported goods "PVC Coated Fabrics" under CTH - 59031090 instead of correct description as "Polymeric Coated dyed woven Fabric" under CTH-59039090 and "PU Coated dyed woven Fabric" under CTH-59032090. The importer has accepted that the goods "PVC Coated Fabrics" appear mis-declared, as per CRCL Kandla test reports. Further, the total quantity in UQC, i.e. SQM, of the imported goods has also been found mis-declared, as the importer has declared the total quantity 74898 SQM only in the said bill of entry, However, the total quantity was found 1,47,004 SQM during the examination. The Anti-Dumping Duty (ADD) is payable on the goods "PU Coated dyed woven Fabric (CTH-59032090)" as per Notification no. 14/2022-Customs (ADD) dated 20.05.2022. The same was accepted by the authorized representative of the importer in his statement dated 08.09.2026. He also stated that the supplier has admitted his mistake of sending other goods in place of goods ordered. Further, the quantity of PU coated fabric is very low, only 120 rolls out of 1710 rolls. He also stated that they are ready to pay any duty, fine & penalty, if arises, and they do not want any show cause notice and requested to decide the matter on merit.

9. Rejection of declared Value & Redetermination of Assessable value:

9.1 Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (hereinafter referred to as "the CVR, 2007") provides the method of valuation. Rule 3(1) of the CVRs, 2007 provides that "Subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10". Rule 3(4) ibid

states that "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 of CVR, 2007". Whereas, it appears that, transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Whereas, in the present case, it appears that, the importer has mis-declared and mis-classified the subject goods viz. **"PVC Coated Fabrics"** under CTH - 59031090 instead of correct description as **"Polymeric Coated dyed woven Fabric"** under CTH-59039090 and **"PU Coated dyed woven Fabric"** under CTH-59032090. Further, the quantity (in SQM) of the imported goods has also been found mis-declared. Accordingly, there is reasonable doubt regarding the truth and accuracy of the declared value, and hence is liable to be rejected in terms of Rule 12 of the CVR, 2007. In view of the same the imported goods have been found liable for confiscation under section 111 of the Customs Act, 1962.

9.2 Therefore, the value provided by the Chartered Engineer may be considered as the assessable value of these goods. Therefore, the invoice value of the goods is required to be rejected under Rule 12 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 and re-determined under Rule 9 of the Customs Valuation (Determination of value of imported goods) Rules, 2007. Accordingly, the assessable value of the imported goods appear to be re-determined as **Rs. 30,26,196/-** instead of total assessable value of **Rs. 5,37,455/-** as declared in the said BE and the duty, as per new CTH and re-determined assessable value, is calculated as under:-

The details of the same are as under:

TABLE-D

Sr No.	Declared Goods	CTH declared	Goods found	Correct CTH	CIF Value Ascertain ed by CE (in Rs.)	BCD@20 % (in Rs.)	SWS@1.0% (in Rs.)	ADD (0.46 USD/ meter)	IGST@ 5% (in Rs.)	Total Duty (in Rs.)
1	PVC Coated Fabrics	5903 1090	Polymeric Coated dyed woven Fabric	5903909 0	9,64,747	192949	19295	0	58850	271094
2			PU Coated dyed woven	5903209 0	2,08,740	41,748	4,175	270884	94598	411404

		Fabric							
3		PVC Coated Fabrics	59031090	18,52,710	370542	37054	0	113015	520612
Grand total of duty									12,03,110/-

9.3 From the above **TABLE-D**, it appears that the importer was liable to pay the duty (BCD + SWS + IGST+ ADD) of Rs. 12,03,110/- on the import of declared goods i.e. PVC Coated Fabrics. Thus, the total duty on these declared imported goods comes to the tune of Rs. 12,03,110/- instead of Rs. 1,51,025/- as self-assessed by the importer in the said BE, thus there appears non/short levy of Customs duty amounting to Rs. 10,52,085/-[Rs. 12,03,110/- (minus) Rs. 1,51,025/-]. Thus, by the act of omission and commission at the level of importer, it appears that, these goods are liable for confiscation under section 111 (f), (l) & (m) of the Customs Act, 1962.

10. RELEVANT LEGAL PROVISIONS:

(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:

2. Definitions.— In this Act, unless the context otherwise requires,—

.....

(o) “**import**” means—

(i) *bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise; or*

(ii) *receiving goods, or services by a Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;*

Section 21: Single enforcement officer or agency for notified offences.—

(1) *The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*

(2) *The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.*

(3) *Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.*

Section 22: Investigation, inspection, search or seizure.—

The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the

investigation, inspection, search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:

Provided that no investigation, inspection, search or seizure shall be carried out in a Special Economic Zone by any agency or officer other than those referred to in sub-section (2) or sub-section (3) of section 21 without prior approval of the Development Commissioner concerned:

Provided further that any officer or agency, if so authorised by the Central Government, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit without prior intimation or approval of the Development Commissioner

Notification Nos. 2665(E) and 2667(E) dated 05.08.2016:

- (1) *In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government by Notification No. 2667(E) dated 05.08.2016 issued by the Ministry of Commerce & Industry, has authorized the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned. Under Section 21(1) of the SEZ Act, 2005, the Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
- (2) *The Central Government, by the Notification 2665(E) dated 05.08.2016 has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111, 113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.*

(B) RELEVANT PROVISIONS OF SPECIAL ECONOMIC ZONES RULES, 2006:

47(4) Valuation and assessment of the goods cleared into Domestic Tariff Area shall be made in accordance with Customs Act and rules made thereunder.

47 (5) Refund, Demand, Adjudication, Review and Appeal with regard to matters relating to authorise operations under Special Economic Zones Act, 2005, transactions, and goods and services related thereto, shall be made by the Jurisdictional Customs and Central Excise Authorities in accordance with the relevant provisions contained in the Customs Act, 1962, Central Excise Act, 1944, and the Finance Act, 1994 and the rules made thereunder or the notifications issued thereunder.

(C) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

Section 2(22): "goods" includes (a) vessels, aircrafts and vehicles; (b) stores; (c) baggage; (d) currency and negotiable instruments; and (e) any other kind of movable property;

Section 2(23): "import", with its grammatical variations and cognate expressions, means bringing into India from a place outside India;

Section 2(25): "imported goods", means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;

Section 2(26): "importer", in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes [any owner, beneficial owner] or any person holding himself out to be the importer;

Section 2(39): "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.

Section 11A: "illegal import" means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force.

Section 46. Entry of goods on importation:

(4) 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, relating to the imported goods.

(4A) the importer who presents a bill of entry shall ensure the following, namely:

- (a) The accuracy and completeness of the information given therein;*
- (b) The authenticity and validity of any document supporting it; and*
- (c) Compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.*

Section 111. Confiscation of improperly imported goods, etc. – The following goods brought from a place outside India shall be liable to confiscation:-

--

(f) any dutiable or prohibited goods required to be mentioned under the regulations in an arrival manifest or import manifest or import report which are not so mentioned;

(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;

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Section 112. Penalty for improper importation of goods, etc. –

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:*

(D) Relevant Provisions of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007:

“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.

11. Summary of Investigations Conducted:

11.1 M/s Suraj Impex, had filed Z Bill of Entry No. 5358334 dated 28.10.2025 for import of goods viz. 'PVC Coated Fabrics'. Furthermore, the said goods have also been brought into the KASEZ, Kandla i.e. a place in India from a place outside India by sea. Hence, the same falls under the definition of 'import' as provided in the SEZ Act, 2005.

11.2 Whereas, on the basis of the examination report and investigation carried out in this regard, the total quantity (in UQC, i.e. SQM) of the imported goods has been found mis-declared. The importer has declared the quantity as 74898 SQM only in the said bill of entry instead of actual quantity found during the examination, i.e. 1,47,004 SQM. Further, the importer has declared the goods as "PVC Coated Fabrics" under CTH – 59031090, however, as per CRCL test reports, the goods have been found as "PVC Coated Fabrics" under CTH - 59031090, "Polymeric Coated dyed woven Fabric" under CTH-59039090 and "PU Coated dyed woven Fabric" under CTH-59032090. Therefore, the importer has mis-declared the goods, as discussed at para-supra. These facts have also been admitted by the importer in their statement dated 08.09.2026. Further, the imported goods are also found undervalued in view of the report submitted by the Chartered Engineer and hence are required to be re-assessed on the basis of CE report under Rule 9 of the CVR, 2007. Whereas, accordingly, it appears that, the importer has failed to declare true and correct CTH as well as assessable value of the goods imported vide the said BE and hence, the cargo is liable for confiscation under section 111 (f), (l) & (m) of the Customs Act, 1962.

11.3 Accordingly, the assessable value of the imported declared goods, viz. "PVC Coated Fabrics", appears to be re-determined as Rs. 30,26,196/- as per CE report. Accordingly, total duty ((BCD + SWS + ADD +IGST)) on these imported goods comes to the tune of Rs. 12,03,110/- as discussed at para-supra instead of Rs. 1,51,025/- as self-assessed by the importer in the said BE, thus there appears non/short levy of Customs duty amounting to Rs. 10,52,085/- [Rs. 12,03,110/- (minus) Rs. 1,51,025/-]. Thus, by these act of omission and commission at the level of importer, it appears that, the importer has contravened the provisions of Section 46 and Section 17 of the Customs Act, 1962, in as much as, they failed

to make correct and true declaration and information to the Customs Officer in the form of Bill of Entry and also failed to assess their duty liability correctly and hence are liable for penalty under section 112(a)(ii) of the Customs Act, 1962.

The relevant portion of said provisions is as under:

Section 17. Assessment of duty. –

(1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

Section 46. Entry of goods on importation. –

(1) The importer of any goods, other than goods intended for transit or transshipment, shall make entry thereof by presenting electronically on the customs automated system to the proper officer a bill of entry for home consumption or warehousing in such form and manner as may be prescribed:

11.4 The importer in his statement dated 08.09.2026 stated that they do not want any show cause notice and requested to decide the matter on merit and are ready to pay any duty, fine & penalty, if arises:-

12. Now, therefore, M/s Suraj Impex (IEC- 0516000476), Proprietor Smt. Savita Goel, having address at KH No 38/23/1, G F Choudhary Chakki, Lal Dora, Village Prahladpur Bangar, Delhi-110042, are hereby called upon to show cause in writing to the Additional Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch, within 30 days of receipt of this notice, as why –

i. The classification of the goods, viz. PVC Coated Fabrics, as declared by the importer in the Z Bill of Entry No. 5358334 dated 28.10.2025 should not be rejected and re-classified under CTH-59031090, CTH-59032090 and CTH-59039090 as discussed at paras 6.1 to 6.3 above.

ii. The total assessable value of the imported goods declared as Rs. 5,37,455/- in the Z Bill of Entry No. 5358334 dated 28.10.2025 should not be rejected and re-determined as Rs. 30,26,196/- (Rupees Thirty Lakh Twenty six thousand and one hundred ninety

six only), as discussed at para-supra instead of under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

iii. Total Customs duty involved in the imported goods comes to **Rs. 12,03,110/-** (Rupees Twelve Lakh, three thousand and one hundred ten only) as discussed at Para 9.1 to 9.3 above, instead of Rs. 1,51,025/- as declared in the BE.

iv. The Z bill of entry no. 5358334 dated 28.10.2025 should not be re-assessed accordingly under Section 17(4) of the Customs Act, 1962 and discussed supra.

v. The declared goods, viz. PVC Coated Fabrics, having re-determined value of Rs. 30,26,196/- have been imported by way of mis-declaration in contravention of Sec 46 of the Customs Act, 1962 should not be held liable for confiscation under Section 111 (f), (l) & (m) of the Customs Act, 1962.

vi. The importer i.e., M/s. Suraj Impex should not be held liable for Penalty under Section 112(a)(ii) of the Customs Act, 1962 for the import of goods by way of mis-declaration and discussed supra.

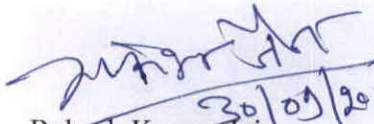
13. This Show Cause Notice is being issued under Section 124 of the Customs Act, 1962, without prejudice to any other action that may be taken against the Noticee(s) or any other person / party connected with this case under the Customs Act, 1962 or any other law for the time being in force. The aforesaid Noticees are directed to submit their written reply within the stipulated time. In their reply, they should clearly state whether they wish to be heard in person or not. If no cause is shown within the stipulated time, or within extended time period, if any, provided by the Adjudicating Authority on a written request being made in that regard, or, if they do not appear when the case is posted for hearing, the case will be decided ex-parte on the basis of evidence available on record without making any further reference to them.

14. The Department reserves its rights to add, alter, amend, modify or supplement this Notice at any time on the basis of any evidence, material facts related to import of goods by

them, which may come to the notice of the Department after issuance of this Notice and prior to the adjudication of the case.

15. The list of relied upon documents (Annexure-R) is enclosed. It may be noted that all the documents and charts enclosed with this Show Cause Notice are an integral part of this Show Cause Notice. Scanned copies of the same are being supplied by email. If any of the Noticee(s) desire to inspect any of the documents which are relied upon and / or wish to take copies of the same, they may do so with prior appointment with the Additional/ Joint Commissioner of Customs (Adjudication), having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch, on any working day within one month from the date of receipt of this Show Cause Notice.

Encl: Annexure – R


30/09/2024
Rakesh Kumar Jain
Additional Commissioner of Customs
Customs House, Kandla

Noticees:

1. M/s Suraj Impex (IEC: 0516000476; GSTIN: 07AAGPG6900K1ZR), Proprietor: Smt. Savita Goel, Ground Floor, Khasra No. 38/23/1, Near Choudhary Chakki, Lal Dora Village, Prahladpur Bangar, North West Delhi, Delhi-110042.

Copy to:

1. The Assistant Commissioner (SIIB), Custom House, Kandla.
2. The Deputy Commissioner, KASEZ, Gandhidham

Annexure-R

List of Relied Upon Documents

RUD No.	Details of RUD	Dated
1	Z Bill of Entry No. 5358334 dated 28.10.2025 filed by M/s Suraj Impex	28.10.2025
2	Panchnama dated 08.11.2025 drawn at M/s The Variety Impex, Unit No. 106, Kandla SEZ	08.11.2025
3	Seizure Memo and Supratnama dated 25.11.2025	25.11.2025
4	Test Reports of Custom House Laboratory, Kandla: Lab No. SIIB-7133 dated 28.11.2025, 7134-SIIB/10-11-2025 dated 01.12.2025 and 7135/SIIB dated 27.11.2025 (with Test Memos)	27.11.2025 to 01.12.2025
5	Valuation Report of M/s Varun Chandok & Associates, Ref. No. VC/KASEZ/SI/@TNS186522*/5358334/XII/2025-26	12.12.2025
6	Summons dated 26.11.2025 issued to M/s Suraj Impex	26.11.2025
7	Statement of Shri Digvijay Singh Chauhan, Authorised Representative of M/s Suraj Impex	08.12.2025
8	Summons dated 10.08.2026 issued to M/s Suraj Impex	10.08.2026
9	Summons dated 17.08.2026 issued to M/s Suraj Impex	17.08.2026
10	Summons dated 24.08.2026 issued to M/s The Variety Impex	24.08.2026
11	Summons dated 31.08.2026 issued to M/s The Variety Impex	31.08.2026
12	Statement of Shri Sumit Saini, Manager of M/s The Variety Impex	07.09.2026
13	Summons dated 31.08.2026 issued to M/s Suraj Impex	31.08.2026
14	Statement of Shri Paramvir Singh, Authorised Representative of M/s Suraj Impex	08.09.2026
Link of the RUDs		
https://drive.google.com/drive/folders/187jyRGYy7afKDOXSiGM_M7TeeV5d7K9?usp=sharing		