	प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा **OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOM HOUSE: MUNDRA, KUTCH MUNDRA PORT & SPL ECONOMIC ZONE, MUNDRA-370421** ई-मेल/ E-Mail: adj-mundra@gov.in

A	फा /.सं .FILE NO.	GEN/ADJ/ADC/1074/2026-Adjn-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ADC/ZDC/263/2026-27
C	द्वारा पारित किया गया PASSED BY	**Dipak Zala,** Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	21-08-2026
E	जारी करने की तिथि DATE OF ISSUE	21-08-2026
F	कारण बताओ नोटिस संएवं तिथि SCN NO. & DATE	Importer requested for SCN & PH Waiver
G	नोटिसीपार्टी / आयातक/ NOTICEE/PARTY/ IMPORTER	**1.** M/s. Guru Nanak Furniture (IEC No. AMQPG0727L) **2.** Shri Kamal Gujral, Proprietor of M/s. Guru Nanak Furniture

1. यह अपील आदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।
   This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 128A के अंतर्गत प्रपत्र सीए3-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:

   "सीमा शुल्क आयुक्त) अपील(, चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद 380009"

   "The Commissioner of Customs (Appeals), Mundra, 4TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009."

3. उक्त अपील यह आदेश भेजने की दिनांक से तीन माह के भीतर दाखिल की जानी चाहिए।
   Appeal shall be filed within three months from the date of communication of this order.

4. उक्त अपील के 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 accompanied by –

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रूपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं°-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।
   The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paisa only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटि/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.
7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. 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 (Appeals) 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

1.1 Specific intelligence was developed that M/s Guru Nanak Furniture, Ground Floor, Shop No. AB-184, Amar Puri, Ram Nagar, Pahar Ganj, Delhi – 110055 (IEC AMQPG0727L), was importing textile fabrics of Chinese origin by mis-declaring the description, classification, and value of the imported goods with an intent to evade applicable Customs duties.

1.2 Acting upon the said intelligence, scrutiny of import documents, Bills of Entry, pertaining to imports made by M/s. Guru Nanak Furniture was undertaken. The import data in respect of M/s. Guru Nanak Furniture was scrutinized and the following Bills of Entry imported through Mundra Port were identified for detailed investigation:

TABLE - A

Sr. No.	Bill of Entry No. & Date	Declared Description of Goods	Declared CTI	Declared Quantity	Declared Unit Value
1	7778141 dated 27.02.2026	Polyester Fabric with PVC Laminated Width (58"+/-10%)	59031090	42260 SQM	USD 0.14 per SQM
2	7783311 dated 27.02.2026 (Item No. 1)	Polyester Fabric with PVC Coated Width (58"+/-10%)	59031090	4100 KGS	USD 0.25 per Kg
	7783311 dated 27.02.2026 (Item No. 2)	Non-Woven Fabrics	56039490	12500 KGS	USD 0.50 per Kg

2. EXAMINATION OF GOODS

2.1 The goods imported vide the above referred two Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026 were examined by the officers of Directorate of

Revenue Intelligence, Ahmedabad Zonal Unit, Ahmedabad on 08.03.2026 under panchnama at warehouse facility of M/s. Shoolin Trade Link LLP, Mundra. During the examination proceeding, it was found that the goods presented for examination imported vide Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026, were found prima facie mis-declared with respect to the description of the goods. Accordingly, during the examination under panchnama proceeding dated 08.03.2026, representative samples were drawn to analyze the exact nature of the fabric.

2.2 During the examination, it was seen that the imported fabrics were of various types. Hence, one representative sample for one type of fabric was withdrawn and marked as "7778141 /A-1" , "7778141/B-1" and "7778141/C-1" in respect of BE No. 7778141 dated 27.02.2026 and "7783311 /A-1" and "7783311/B-1" in respect of Bill of Entry No. 7783311 dated 27.02.2026.

3. TESTING OF REPRESENTATIVE SAMPLES

3.1 The representative samples as detailed above at para 2.2, were sent to the Laboratories, Textile Committee, Mumbai for testing/determination of

- Nature of fabric (woven/knitted);
- Fibre composition;
- Warp and weft construction;
- Presence of textured or non-textured filament yarn;
- Presence and percentage of elastomeric yarn;
- GSM (grams per square meter);
- Fabric structure and weave pattern;
- Presence or absence of coating, impregnation, covering or lamination visible to the naked eye;
- Microscopic examination of yarn composition and fabric construction;

3.2 The Laboratory, Textile Committee, Mumbai submitted the following test reports:

TABLE B

Sr. No.	B/E No. & Date	Sample detail	Textile Committee Test Report No. & Date
1	7778141 dated 27.02.2026	7778141/A-1	0153032626-3281 dated 27.04.2026
		7778141/B-1	0153032526-3282 dated 26.05.2026
		7778141/C-1	0153032526-3283 dated 12.05.2026
2	7783311 dated 27.02.2026	7783311/A-1	0153032526-3279 dated 27.04.2026
		7783311/B-1	0153032525-3280 dated 29.04.2026

3.3 In Part I of both the Test Results, the Laboratory, Textile Committee, Mumbai informed that dyes prohibited by the Government of India under Section 6(2) (D) of the Environment (Protection) Act, 1986 (29 of 1986) read with Rule 13 of the Environment (Protection) Rules, 1986 vide Notification S.O. 108(E) dated 30.01.1990 and SO 243(E) dated 25.03.1997 are not detected in the tested samples.

3.4 In Part II of the test results, the Laboratories, Textile Committee reported the parameters tested by them. Based on these results, the description of the goods has been arrived at as follows :

TABLE - C

Sr. No.	B/E No. & Date	Item No.	Textile Committee Test Report No. & Date	Test Result	GSM
1	7778141 dated 27.02.2026	1	0153032626-3281 dated 27.04.2026	100% polyester woven printed fabric with Non-texturized Filament Yarn	272.5 GSM
		2	0153032526-3282 dated 26.05.2026	PU coated polyester dyed woven fabric made from 100% texturized polyester filament yarn	291.4 GSM
		3	0153032526-3283 dated 12.05.2026	PVC coated dyed polyester woven fabric made from 100% non-texturized polyester filament yarn	130.4 GSM
2	7783311 dated 27.02.2026	1	0153032526-3279 dated 27.04.2026	100% dyed warp knitted cut pile polyester fabric made from 100% polyester filament yarn	238.8 GSM
		2	0153032525-3280 dated 29.04.2026	Fabric assembled in two layers comprising 100% dyed warp knitted cut pile polyester fabric and 100% polyester weft knitted fabric	436.2 GSM

3.5 The test reports revealed that the imported goods were other than PVC coated polyester fabrics or Non-Woven Fabrics, except in case of representative sample “7778141/C-1” of Bill of Entry No. 7778141 dated 27.06.2026. Thus, the declarations of the importer in respect of description and classification were found to be incorrect. Though, in respect of item No. 3 of Bill of Entry No. 7778141 dated

27.06.2026, the description appeared to be correct, it is observed that the said goods were used for concealing the other types of fabrics which were mis-declared.

4. SEIZURE OF GOODS

4.1 The investigation conducted by the Directorate of Revenue Intelligence indicated that the goods imported by M/s. Guru Nanak Furniture under Bill of Entry Nos. 7778141 and 7783311 both dated 27.02.2026, were prima facie mis-declared with respect to their description, classification and value. Examination of the goods under panchnama dated 08.03.2026 revealed that the imported goods were not PVC coated polyester fabrics as declared in the Bills of Entry. Subsequent laboratory testing by the Textile Committee, Mumbai confirmed that the goods were types of fabrics which are not classifiable under Customs Tariff Item 59031090 or 56039490, as declared by the importer.

4.2 The aforesaid acts of mis-declaration of description, classification and value rendered the imported goods liable to confiscation under the provisions of Section 111 of the Customs Act, 1962, since the investigation revealed deliberate suppression of material particulars having a direct bearing on assessment and levy of Customs duty.

4.3 Accordingly, on the reasonable belief that the imported goods were liable to confiscation under section 111 of the Customs Act, 1962, the goods covered under Bill of Entry Nos. 7778141 and 7783311, both dated 27.02.2026, were seized under Section 110 of the Customs Act, 1962.

5. STATEMENT OF KEY PERSON :

5.1 Statement of Shri Kamal Gujral S/o. Shri Mangatram Gujral, resident of Shivaji Vihar was recorded under Section 108 of the Customs Act, 1962, on 04.06.2026, wherein he interalia stated that –

- He is the proprietor of M/s. Guru Nanak Furniture (IEC AMQPG0727L); that M/s. Guru Nanak Furniture is functioning since 2022; that M/s. Guru Nanak Furniture engaged in trading business of fabric, furniture, luggage etc.; that M/s. Guru Nanak Furniture imports different variety of fabric and furniture viz. Office Chair, Laptop Table etc. from China, since 2022.
- He had perused the Panchnama dated 08.03.2025 drawn at Shoolin Trade Link LLP, APSEZ, Mundra and he stated that the contents of the said Panchnama were correct to the best of his knowledge and belief. He also confirmed and agreed with the fact that he had authorized Shri Pranjal Singh to remain present during the course of examination and drawl of

representative samples from the imported goods in respect of Bills of Entry No. 7778141 dated 27.02.2026 and 7783311 dated 27.02.2026; that the sample drawing process adopted during examination is being accepted by him.

- He had carefully perused the test report of representative samples drawn during examination at Shoolin Trade Link LLP, APSEZ, Mundra in respect of BE Nos. 7778141 dated 27.02.2026 (3 test reports) and 7783311 dated 27.02.2026 (two test reports), received from the Laboratories, Textile Committee, Government of India, Mumbai. He agreed with the test result based on the parameters mentioned therein and also accepted and confirmed that the test report is true and correct. He explicitly conveyed no objection on these test reports in all aspects.
- He had perused the Bills of Entry No. 7778141 dated 27.02.2026 and 7783311 dated 27.02.2026 filed for import of fabrics at APSEZ, Mundra (at M/s. Shoolin Trade Link LLP). These Bills of Entry were filed by him for clearances of imported fabrics from China; that the entries/declaration made in the said Bills of Entry were done after careful application of mind; that the CTH, Assessable Value, Rate of Duty, Exemption benefit availed and other details mentioned therein were as per his knowledge and being a proprietor of the firm he is aware that he is responsible for filing of true and correct details while filing Bills of Entry, under the Customs law.
- He agreed that the declared description in respect of BE No. 7778141 dated 27.02.2026, was "Polyester Fabric with PVC Laminated wide (58"+-10%)". He had perused the panchnama and agreed that three different kinds of fabric were found during the physical examination of the imported goods. He had perused the test result of the Laboratories, Textile Committee, Mumbai towards the testing of representative samples marked with "7778141/A-1", "7778141/B-1" and "7778141/C-1" and agreed and confirmed that the tested parameters of the test result clearly show that the representative samples drawn from the imported goods are different than those declared in the Bill of Entry in respect of sample "7778141/A-1", "7778141/B-1" and that the test reports matched in case of representative sample of "7778141/C-1" only. He agreed with the test report; that the details of test report and revised description, CTI, Sqmtrs (based on GSM) and Assessable Value of the import goods based on the revised description is as under :-

TABLE - D

BE NU	B ED	ITEM DESCRIP	CTH de	AV f or sq	Declare		C	G	Net W	Sq. Mtrs. Calc

MBER	ATE	TION (DECLARED)	clared	mtrs. (USD)	d Quantity	Description as per Test Result	TI	SM	eight Kgs.	ulated based on GSM
7778141	27-02-2026	POLYESTER FABRIC WITH PVC LAMINATED WIDTH (58"+/-10%)	59031090	0.14	42260	Assembled in layers - 100% polyester printed woven fabric ((100% filament yarn and non-texturized yarn) and 100% polyester weft knitted bleached fabric (100 Filament yarn and texturized yarn)	54076900	272.5	22820	9720
						TPU coated polyester dyed woven fabric of 100% texturized Yarn	59032030	291.4		22410
						PVC coated dyed polyester woven fabric - 100% non-texturized filament yarn	59031030	130.4		102690

- He agreed that the descriptions do not match with tested parameters in the test report in respect of two samples in respect of BE No. 7778141 dated 27.02.2026. He agreed with the re-classification of CTI based on the test report and was ready to pay differential duty, including anti-dumping duty, arising out of the required re-classification.
- He agreed that the declared description in respect of BE No. 7783311 dated 27.02.2026 was "Polyester Fabric with PVC Laminated wide (58"+-10%)" and "Non Woven Fabric". He had perused the panchnama and agreed that two different kind of fabric were found during the physical examination of the imported goods. He had perused the test result of the Laboratories, Textile Committee, Mumbai towards the testing of representative samples marked with "7783311/A-1" and "7783311/B-1" and agreed and confirmed that the tested parameters of the test result clearly shows that the representative samples drawn from the imported goods are different than those declared in

the Bill of Entry in respect of sample "7783311/A-1", "7783311/B-1". He agreed with the test report. The details of test report and its revised description, CTI, Sq.Mtrs (based on GSM) and Assessable Value of the imported goods based on the revised description is as under :-

TABLE - E

BE NUMBER	BE DATE	ITEM DESCRIPTION (DECLARED)	CTH declared	AV for sq mtrs. (USD)	Declared Quantity	Desciption as per Test Result	CTH	GSM	Net Weight Kgs.
7783311	27-02-2026	POLYESTER FABRIC WITH PVC COATED WIDTH (58"+/-10%)	59031090	0.25 per Kgs.	4100 Kgs.	100% warp knitted cut piled Polyester fabric - 100% finament yarn	60019200	238.8	16779 Kgs. (16600 Kgs. declared and 179 Kgs. found excess during examination)
		Non woven Fabrics	56039490	0.50 per Kgs.	12500 Kgs.	Two layers - 100% polyester dyed warp knitted cut piled and 100% polyester weft knitted (yarns of different colour)	60019200	436.2	

- He agreed that the descriptions do not match with tested parameters in the test report in respect of two samples of BE No. 7783311 dated 27.02.2026; that he agreed with the re-classification of CTI based on the test report and was ready to pay differential duty arising out of the same. He agreed that the imported goods falling under CTI 60019200 are restricted for import under DGFT Notification No. 05/2025-26 dated 23.04.2025 and can be imported freely only if, its CIF value is above 3.5 USD/kg.
- He had perused the test report and confirmed that the tested parameters show that the description of the imported goods is other than the declared goods in respect representative samples "7778141/A-1", "7778141/B-1" "7783311/A-1" and "7783311/B-1"; that accordingly, he agreed that the both assessable value and CTI of the said goods are required to be re-determined and re-assessed on the basis of the test report and contemporary value; that

he is ready to pay the differential duty arising out of the same.

6. RE-CLASSIFICATION OF GOODS

6.1 The importer had declared the imported goods as "Polyester Fabric with PVC Coated Width (58" +/-10%)" and "Non-woven Fabrics" under Customs Tariff Items 59031090 and 56039490 of the First Schedule to the Customs Tariff Act, 1975. Representative samples drawn from the imported consignments were tested by The Laboratories, Textile Committee, Mumbai.

6.2 Bill of Entry No. 7778141 dated 27.02.2026

The importer has declared the imported goods under Heading 5903 of Chapter 59

Heading 5903 covers:

"*Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902.*"

However, during the examination of the imported goods covered under Bill of Entry no. 7778141 dated 27.02.2026, considering visual variations, three types of fabrics were found. Accordingly, representative samples were drawn from each of the varieties of fabrics and were marked as "7778141/A-1", "7778141/B-1" and "7778141/C-1". The test report in respect of these three distinct varieties of fabrics were received as under :-

TABLE - F

Sr. No.	B/E No. & Date	Sample detail	Textile Committee Test Report No. & Date
1	7778141 dated 27.02.2026	7778141/A-1	0153032626-3281 dated 27.04.2026
		7778141/B-1	0153032526-3282 dated 26.05.2026
		7778141/C-1	0153032526-3283 dated 12.05.2026

6.2.1 Classification in respect of representative sample 7778141/A-1

The laboratory report reveals that the goods are composite textile products assembled in layers comprising a polyester printed woven fabric and a polyester weft-knitted bleached fabric. The woven polyester filament fabric constitutes 62.1% of the product, whereas the knitted polyester filament fabric constitutes 37.7%. In terms of Rule 3(b) of the General Rules for Interpretation, composite goods are classifiable according to the component that imparts their essential character. Since the woven polyester component constitutes the predominant portion of the product and the laboratory report does not establish the presence of any PVC coating, impregnation, covering or lamination warranting classification under Chapter 59, the essential character of the goods is imparted by the woven polyester filament fabric. Accordingly, the goods merit classification under CTH 5407 of the Customs Tariff, covering woven fabrics of synthetic filament yarn, specifically under CTI 54076900 - "Other - woven fabrics, containing 85% or more by weight of polyester filament – other than containing 85% or more by weight of non-textured polyester filaments", applicable to printed woven polyester filament fabrics, subject to the exact construction and filament characteristics established in the test report.

In view of the above, as per test report on the representative samples 7778141/A-1, the imported goods are classifiable under CTI 54076900.

6.2.2 Classification in respect of representative sample 7778141/B-1

The test report revealed that the tested sample is dyed polyester woven fabric coated with Polyurethane and accordingly, it merits classification under CTI 59032030.

CTH 5903 specifically covers:

"*Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902.*"

Tariff Item 59032030 covers:

"*Other Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902 with Polyurethane*"

6.2.3 Classification in respect of representative sample 7778141/C-1

The Textile Committee further reported that the third representative sample **7778141/C-1** is a Polyvinylchloride coated dyed woven fabric made from 100% non-texturized polyester filament yarn. The laboratory test revealed that the representative sample **7778141/C-1**, would fall under CTI 59039090, which is the same tariff classification declared by the importer. Therefore, the classification declared in respect of this category of goods was found to be correct.

6.3 Bill of Entry No. 7783311 dated 27.02.2026

6.3.1 The importer declared the imported goods as

TABLE - G

1	7783311 dated 27.02.2026	Item 1	Polyester Fabric with PVC Coated Width (58"+/-10%)	59031090	4100 KGS	USD 0.25 per Kg
		Item 2	Non-Woven Fabrics	56039490	12500 KGS	USD 0.50 per Kg

Item – 1 - Polyester Fabric with PVC Laminated Width (58"+/-10%)

The item 1 of the goods was declared under CTH 5903

CTH 5903 covers:

"*Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902.*"

Item – 2 - Non-Woven Fabrics

The item 2 of the goods was declared under CTH 5603

"nonwoven, whether or not impregnated, or not impregnated, coated, covered or laminated and weighing more than 150 g/m2 --- others"

6.3.2 However, during the examination of the imported goods covered under Bill of Entry no. 7783311 dated 27.02.2026, considering visual variations, two types of fabrics were found. Accordingly, representative samples were drawn from each of the varieties of fabrics and were marked as "7783311 /A-1" and "7783311 /B-1". The test report in respect of all these two distinct varieties of fabrics were received as under :-

TABLE - H

Sr. No.	B/E No. & Date	Sample detail	Textile Committee Test Report No. & Date
1	7783311 dated 27.02.2026	7783311/A-1	0153032526-3279 dated 27.04.2026
		7783311/B-1	0153032525-3280 dated 29.04.2026

6.3.3 From the test report, it emerges that both the samples are knitted cut piled fabrics. Hence, the imported goods fall under the CTI 60019200.

6.3.4 The proprietor of M/s Guru Nanak Furniture was confronted with the findings of The Laboratories, Textile Committee, Mumbai and, in his statement recorded under Section 108 of the Customs Act, 1962, he accepted both the test reports and the proposed re-classification of the imported goods. Therefore, the nature, composition and classification of the imported goods stand clearly revealed through the above narrated scientific testing and the admission of the importer.

7. VALUATION OF IMPORTED GOODS

7.1 Section 14 of the Customs Act, 1962 read with Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 provides that the assessable value of imported goods shall ordinarily be the transaction value, that is, the price actually paid or payable for the goods when sold for export to India, subject to the provisions of the said Rules.

7.2 During investigation, the declared transaction values of the imported goods were examined with reference to the import documents, laboratory reports, description and contemporaneous import data. Investigation brought out that the importer declared the goods as "Polyester Fabric with PVC Coated Width (58'' +/- 10%)"/"Non-Woven Fabrics" whereas the Textile Committee, Mumbai reported the goods to be other than the declared description, as discussed above. Thus, the declarations made by the importer with regard to description and classification were found to be incorrect. Since the declared description and classification themselves were found to be false and inaccurate, the truth and accuracy of the declared transaction value was doubtful.

7.3 In terms of Rule 12(1) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, where there are reasons to doubt the truth or accuracy of the declared value, the importer may be asked to furnish further information and where such doubt persists, the declared value may be rejected. In the present case, the substantial misdeclaration of description and classification constitute sufficient grounds to reject the declared transaction value.

7.4 Accordingly, the declared transaction values became liable for rejection under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

8. CONTEMPORANEOUS IMPORT DATA

8.1 After rejection of the declared transaction value, the value required re-determination by sequentially proceeding from Rule 4 to 9 of the Customs Valuation (Determination of Value of Imported Gods) Rules, 2007.

8.2 Rule 4 of the Customs Valuation (Determination of Value of Imported

Goods) Rules, 2007 is not applicable in the present case as the assessable value of the impugned goods cannot be determined on the basis of the transaction value of identical goods. In the case of textile fabrics, determination of identicality requires comparison of various technical and commercial parameters such as fibre composition, construction (woven/knitted), GSM, yarn type, denier, texturised/non-texturised nature, coating or lamination, design, finish, quality, brand and end use. However, such detailed specifications are not available in respect of past imports recorded in the database. Consequently, it is not possible to ascertain whether any contemporaneously imported fabrics are identical to the impugned goods in all material respects as required under Rule 4. In the absence of reliable and verifiable data relating to contemporaneous imports of identical goods, the provisions of Rule 4 could not be applied for determination of the assessable value of the goods under investigation. Hence, Contemporaneous import data relating to imports of similar goods originating from China and imported during the relevant period was examined.

8.3 The goods under investigation were found to be broadly three kinds of fabrics and they were classified under different CTI. Accordingly, the valuation was carried out on the basis of its determined varieties. Investigation revealed that similar fabrics of Chinese origin were being imported contemporaneously at substantially higher values than the values declared by M/s Guru Nanak Furniture. The variety of the fabric under import are as under :-

a. 100% polyester woven printed fabric with Non-texturized Filament Yarn (CTI 54076900)

b. Polyurethene coated fabric (CTI 59032090)

c. Knitted Cut Piled Fabric (CTI 60019200)

8.4 The contemporaneous import data pertaining to similar 100% polyester woven printed fabric with Non-texturized Filament Yarn imported from China was examined and found suitable for valuation purposes in the present case. The data of the contemporaneous import is as under :-

TABLE - I

CUSTOM HOUSE CODE	BENUMBER	BE DATE	COUNTRY OF ORIGIN	ITEMDESCRIPTION	QUANTITY	CTH	UQC	UNIT PRICE	MODEL
INNSA1	7321079	05-02-2026	CN	WOVEN FABRIC (PERTH) (2142.5 MTRS) (NET WT:1169) (WIDTH:140CM) (PTR NO:1013032526-00332 DT: 27.10.2025)	2999.5	54076900	SQM	1.778573	5334.83

INNSA1	7321079	05-02-2026	CN	WOVEN FABRIC (ARIA) (3556.2 MTRS) (NET WT. 1853.20) (WIDTH:140 CM) (PTR NO: 0253032526-6883 DT: 12.11.2025)	4978.68	54076900	SQM	1.414287	7041.282
INNSA1	7321079	05-02-2026	CN	WOVEN FABRIC (ASABA) (1321.6 MTRS) (NET WT:781) (WIDTH 142 CM) (PTR NO: 0253032526-5011 DT: 09.09.2025)	1876.672	54076900	SQM	1.901408	3568.319
INNSA1	6810353	10-01-2026	CN	WOVEN FABRIC (ARIA) (4670.5 MTRS) (NET WT. 2220.25) (WIDTH:140) (PTR NO: 0253032526-6883 DT: 12.11.2025)	6538.7	54076900	SQM	1.414286	9247.592
INNSA1	6810353	10-01-2026	CN	WOVEN FABRIC (AMBIANT) (4557.0 MTRS) (NET WT. 2736.30) (WIDTH:140 CM) (PTR NO: 0153032526-1401 DT: 11-09-2025)	6379.8	54076900	SQM	2.178571	13898.85
INNSA1	6810353	10-01-2026	CN	WOVEN FABRIC (ASABA) (11306 MTR) (NET WT: 6112.50) (WIDTH 142 CM) (PTR NO: 0253032526-5011 DT: 09.09.2025)	16054.52	54076900	SQM	1.901408	30526.19
INNSA1	6810353	10-01-2026	CN	WOVEN FABRIC (ALBERT) (800.2 MTRS) (NET WT. 369.40) (WIDTH:140 CM) (PTR NO: 0253032526-5008 DT: 09.09.2025)	1120.28	54076900	SQM	1.414289	1584.4
INNSA1	6810353	10-01-2026	CN	WOVEN FABRIC (PERTH) (1095.5 MTRS) (NET WT. 569.05) (WIDTH:140 CM) (PTR NO: 1013032526-00332 DT: 27.10.2025)	1533.7	54076900	SQM	1.778575	2727.8
					846826.5				73929.26
				Wighted Average					1.782244

8.5 The contemporaneous import data indicated a weighted average transaction value of USD 1.78 per square meter for similar imported goods. Hence, the contemporaneous imports related to similar goods imported at or about the same time and from the same country of origin, the value of USD 1.78 per square meter was considered appropriate for determination of value under Rule 5 of the Customs Valuation Rules, 2007. Accordingly, the assessable value of the imported goods i.e. item No. 1 of Bill of Entry No. 7778141 dated 27.02.2026, was re-determined under Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

8.6 The contemporaneous import data pertaining to similar Polyurethane Coated 100% Polyester Fabric imported from China was examined and found suitable for valuation purposes in the present case. The data of the contemporaneous import is as under :-

TABLE - J

	Bill								

BE Number	of Entry Date	Description	Country	Customs Tariff Heading	Quantity	Unit Quantity Code	Unit Ass.Value in Rs.	TOTAL VALUE
5331985	27-10-2025	100% POLYESTER PU COATED DYED WOVEN FABRIC WIDTH:59\" GSM:90 (40628 Y) (37150.24 M)	CN	59032090	55673.35	SQM	85.66	4768979.161
5491166	04-11-2025	100% POLYESTER PU COATED DYED WOVEN FABRIC WIDTH:59\" GSM:90 (30576 Y)(27958.69 M)	CN	59032090	41898.89	SQM	85.66	3589058.917
5826509	21-11-2025	100% POLYESTER PU COATED DYED WOVEN FABRIC WIDTH:59\" GSM:90 (30063 Y) (27489.60 M)	CN	59032090	41195.92	SQM	86.43	3560563.366
5374104	29-10-2025	PU COAT POLYESTER FABRIC(80GSM +/-10%) (PTR NO.0253032526-89 9)	CN	59032090	36408	SQM	40.14	1461417.12
5947661	27-11-2025	PU COAT POLYESTER FABRIC(80GSM +/-10%)	CN	59032090	35480	SQM	40.31	1430198.8
6378931	18-12-2025	100% POLYESTER PU COATED DYED WOVEN FABRIC WIDTH:58\" GSM:82 (19521 YDS)(17850 MTR)	CN	59032090	26296.62	SQM	89.8	2361436.476
6089947	04-12-2025	100% POLYESTER WITH PU COATED DYED PRINTED WOVEN FABRIC WID TH: 138CM GSM 90 (+/-10)(16200 YDS)	CN	59032090	20442.32	SQM	119.3	2438768.776
6327924	16-12-2025	100% POLYESTER WITH PU COATED DYED PRINTED WOVEN FABRIC 90 GSM WIDTH 138 CM (16078 YDS)	CN	59032090	20288.37	SQM	121.69	2468891.745
6269224	12-12-2025	100% POLYESTER PU COATED DYED WOVEN FABRIC WIDTH:58\" GSM:90 (14548 Y) (13302.69 M)	CN	59032090	19597.52	SQM	91.22	1787685.774
5777281	18-11-2025	100% POLYESTER WOVEN PU COATED FABRIC, WIDTH: 140 CMS, 110 G SM (14656 YARDS)	CN	59032090	18762.02	SQM	113.23	2124423.525
5533294	06-11-2025	100% PLOYESTER FABRIC (TEXTURE) WIDTH 140 CM	CN	59032090	17883.6	SQM	70.97	1269199.092
5491166	04-11-2025	100% POLYESTER PU COATED DYED WOVEN FABRIC WIDTH:58\" GSM:90 (10959 Y) (10020.90 M)	CN	59032090	14762.8	SQM	88.63	1308426.964
6089947	04-12-2025	100% POLYESTER WITH PU COATED WOVEN FABRIC WIDTH: 138CM GSM : 90 (+/-10) (11012 YDS)	CN	59032090	13895.73	SQM	93.35	1297166.396

5826509	21-11-2025	100% POLYESTER PU COATED DYED WOVEN FABRIC WIDTH:59\" GSM:90 (8924 Y) (8160.1)	CN	59032090	12228.73	SQM	86.43	1056929.134
5346155	27-10-2025	100% POLYESTER WOVEN PU COATED FABRIC, WIDTH: 140 CMS, 110 G SM (9140 YARDS)	CN	59032090	11700.66	SQM	119.91	1403026.141
5826509	21-11-2025	100% POLYESTER PU COATED DYED WOVEN FABRIC WIDTH:58\" GSM:90 (8202 Y) (7499.90 M)	CN	59032090	11048.86	SQM	89.43	988099.5498
5826509	21-11-2025	100% POLYESTER DYED WOVEN PU COATED FABRIC WIDTH:58\" GSM:90 (8070 Y) (7379.2 M)	CN	59032090	10871.04	SQM	87.92	955781.8368
5947661	27-11-2025	PU COAT POLYESTER FABRIC(80GSM +/-10%)	CN	59032090	10478	SQM	36.45	381923.1
5363823	28-10-2025	1000PCT POLYESTER COATED WOVEN FABRIC GSM76 WIDTH 60\" 5317 Y DS	CN	59032090	7409.48	SQM	97.73	724128.4804
6570291	27-12-2025	PU COAT POLYESTER FABRIC(80GSM +/-10%)	CN	59032090	7085	SQM	42.63	302033.55
6089947	04-12-2025	100% POLYESTER WITH PU COATED WOVEN FABRIC WIDTH: 138CM GSM :90 (+/-10) (4014 YDS)	CN	59032090	5056.15	SQM	120.37	608608.7755
		Total			438463.06			36286746.68
		Weighted Average				**Rs. 82.75**	**USD 0.92**	

8.7 The contemporaneous import data indicated a weighted average transaction value of USD 0.92 per square metre for similar imported goods. Since the contemporaneous imports related to similar goods imported at or about the same time and from the same country of origin, the value of USD 0.92 per square meter was considered appropriate for determination of value under Rule 5 of the Customs Valuation Rules, 2007. Accordingly, the assessable value of the imported goods i.e. item No. 2 of Bill of Entry No. 7778141 dated 27.02.2026was re-determined under Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

8.8 It is observed that, upon laboratory examination, the imported goods covered under Bill of Entry No. 7783311 dated 27.02.2026 were found to be **Knitted Cut Pile Polyester Fabric**, correctly classifiable under CTI 60019200. During the relevant period, import of goods falling under CTI 60019200 was subject to the conditions prescribed under Notification No. 05/2025-26 dated 23.04.2025, whereby imports having CIF value below USD 3.5 per Kg were restricted, while imports having CIF value of USD 3.5 per Kg and above were freely importable. Although the importer declared the goods as "Polyester Fabric with PVC Coated Width (58" +/-10%)" and "Non-Woven Fabrics", laboratory examination revealed that the goods were in fact knitted cut pile fabrics. Therefore, the applicability of the said notification is required to be examined with reference to the goods as actually imported and not as declared in the Bills of Entry.

8.9 It is further observed that the aforesaid notification remained in force up to 31.03.2026 and was applicable on the date of filing of the "Z" type of Bills of Entry in the instant case. Examination of contemporaneous import data of identical/similar knitted cut pile fabrics imported during the relevant period revealed transaction values around **USD 3.5 per Kg**. The declared value was therefore found to be not acceptable and liable for rejection under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Consequently, the assessable value of the imported goods covered under Bill of Entry No. 7783311 dated 27.02.2026 was re-determined at **USD 3.5 per Kg** under Rule 5 of the said Rules on the basis of contemporaneous imports of identical goods. The details of such contemporaneous imports are as under :-

TABLE - K

CUSTOM HOUSE CODE	BENUMBER	BEDATE	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNITPRICE
INAJM6	7607875	18-02-2026	100% POLYESTER WARP KNITTED PRINTED FABRIC CUT PILE (BONDED)	60019200	15309.8	KGS	319.2
INCCU1	7639562	19-02-2026	100% POLYESTER KNITTED FABRIC (CUT PILE)	60019200	1040	KGS	3.509615
INDWN6	7680148	21-02-2026	POLYESTER KNITTED CUT PILE FABRIC	60019200	25200	KGS	3.52
INAJM6	7619229	19-02-2026	POLYESTER KNITTED CUT PILE FABRIC	60019200	980	KGS	3.5
INAJM6	7730052	25-02-2026	100% POLYESTER WARP KNITTED DYED FABRIC CUT PILE (BONDED) (REST DETAILS AS PER INV & PL)	60019200	13545	KGS	3.5
INAJM6	7641840	20-02-2026	POLYESTER KNITTED CUT PILE FABRIC	60019200	975	KGS	3.5

INAJM6	7775767	27-02-2026	POLYESTER KNITTED CUT PILE FABRIC	60019200	975	KGS	3.5
INAJM6	7775960	27-02-2026	POLYESTER KNITTED CUT PILE FABRIC	60019200	980	KGS	3.5
INAJM6	7730054	25-02-2026	100% POLYSTER WARP KNITTED DYED FABRIC CUT PILE (BONDED) (REST DETAILS AS PER INV & PL)	60019200	9857	KGS	3.5
INCCU1	7793631	27-02-2026	100% POLYESTER KNITTED FABRIC (CUT PILE)	60019200	1170	KGS	3.51
INCCU1	7793631	27-02-2026	100% POLYESTER KNITTED FABRIC (CUT PILE)	60019200	1190	KGS	3.51

9. RE-DETERMINATION OF ASSESSABLE VALUE

9.1 As discussed in foregoing paragraph, the assessable value was re-determined as follows:

TABLE - L

Sl. No.	Bill of Entry No. & Date	Declared AV (Rs.)	Actual Qty (Sq.Mtr.)/ (Kgs.)	Value Adopted (1USD=Rs. 91.9)	Re-determined AV (Rs.)
1	7778141 dated 27.02.2026	543717.16	9720 sqm	USD 1.78/Sq.Mtr.	15,90,017.04
			22410 sqm	USD 0.92/Sq.Mtr.	18,94,720.68
			102690 sqm/ 13390.775 Kgs.	USD 0.25/kgs.	3,07,653.08
4	7783311 dated 27.02.2026	668572.5	16779 Kgs.	USD 3.5/kgs.	53,96,965.35

9.2 The comparison of declared and re-determined values is reproduced below:

TABLE - M

Particulars	Declared Value (Rs.)	Re-determined Value (Rs.)
BE No. 7778141	5,43,717	37,92,390.80
BE No. 7783311	6,68,573	53,96,965.35
Total	12,12,290	91,89,356.15

9.3 The above comparison clearly establishes substantial undervaluation of the imported goods. The importer declared a total assessable value of Rs. 12,12,290/- whereas the correct assessable value determined in accordance with Rule 5 of the Customs Valuation Rules, 2007 works out to Rs. 91,89,356/-.

9.4 In his statement recorded under Section 108 of the Customs Act, 1962, the Proprietor of M/s Guru Nanak Furniture accepted the findings of the laboratory report and had admitted to the acceptance of that the contemporaneous valuation methodology adopted by the department. He was also informed of the differential duty liability arising from the re-determination of assessable value. Therefore, the declared transaction value is liable to rejection under Rule 12 read with Rule 3(2) of the Customs Valuation Rules, 2007 and the assessable value is re-determined under Rule 5 on the basis of contemporaneous imports of similar goods, as detailed above from para 8.3 to para 8.8.

9 . 5 Investigation revealed that the imported consignment comprised three distinct categories of fabrics in respect of Bill of Entry No. 7778141 dated 27.02.2026. The quantity of goods corresponding to the Polyvinylchloride coated printed woven fabric, correctly classifiable under CTI 59039090, constituted a comparatively larger portion of the consignment, whereas the Polyurethane coated dyed woven fabric, correctly classifiable under CTI 59032030 and attracting Anti-Dumping Duty and 100% polyester woven printed fabric with Non-texturized Filament Yarn, formed a separate but smaller quantity within the same import.

9.6 The manner of declaration of the entire consignment under a common description and classification, despite the presence of goods attracting a different tariff classification and Anti-Dumping Duty liability, indicates an attempt to mask the actual nature of the Polyurethane coated dyed woven fabric and 100% polyester woven printed fabric with Non-texturized Filament Yarn. The inclusion of the goods correctly classifiable under CTI 59039090 facilitated the misdeclaration of the Polyurethane coated dyed woven fabric and polyester fabric and the consequent evasion of applicable Customs Duty and Anti-Dumping Duty @0.46

USD per Sq.Mtrs on import of PU coated Polyester Fabric.

9.7 Accordingly, it emerges that the goods corresponding to the second test report were used as a cover to conceal the true nature, classification and duty implications of the goods corresponding to the first test report and the that the second category was **deliberately imported along with the first category to camouflage the Anti-Dumping Duty liable goods**.

9.8 Based on the laboratory findings, it emerges clearly that the importer mis-declared the description and classification of the imported goods. Since the description and classification declared by the importer were found to be false and inaccurate, the declared transaction value became liable for rejection under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

9.9 Contemporaneous import data of similar Polyurethane coated dyed polyester woven fabric imported from China during the relevant period was examined. Applying the contemporaneous value to the actual quantity determined during investigation, the assessable value of the imported goods was re-determined at Rs. 91,89,356/- as against the declared assessable value of Rs. 12,12,290/-.

9.10 Shri Kamal Gujral, Proprietor of M/s. Guru Nanak Furniture, in his statement recorded under Section 108 of the Customs Act, 1962, accepted the test reports, re-classification, quantity re-determination and valuation methodology adopted during investigation. The investigation has clearly brought out that M/s. Guru Nank Furniture knowingly filed Bills of Entry containing incorrect declarations relating to the description, classification and value of the imported goods.

9.17 Accordingly, differential duty arising out of the mis-declaration of description, CTI, Quantity and Assessable Value of the imported goods quantified as under :-

TABLE-N

BE NUMBER and dated	AV as per BE	Duty Declared	AV re-determined	Duty Payable	Difference
7778141 dated 27.02.2026	543717.16	152784.5	1590017.04	446916.85	1907727.74
			1894720.68	1527144.87	

			307653.08	86450.52	
7783311 dated 27.02.2026	668572.5	187869	5396965.35	1516547.26	1328678.26
	1212289.7	340653.5	9189356	3577059.5	3236406

10. Legal Provisions

10.1 Section 17 of the Customs Act, 1962

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.

10.2 Section 46 of the Customs Act, 1962:

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 4[electronically] 5[on the customs automated system] to the proper officer a bill of entry for home consumption or warehousing 6[in such form and manner as may be prescribed]:

10.3 Section 110 of the Customs Act, 1962

110. Seizure of goods, documents and things. – (1) If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods: Provided that where it is not practicable to seize any such goods, the proper officer may serve on the owner of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer.

10.4 Section 111 of the Customs Act, 1962

111. Confiscation of improperly imported goods, etc. – The following goods brought from a place outside India shall be liable to 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 3[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;

10.5 Section 112 of the Customs Act, 1962

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, —

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty 5[not exceeding the value of the goods or five thousand rupees], whichever is the greater;

(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 3[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 4[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 5[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.

10.6 Section 114AA of the Customs Act, 1962

114AA. Penalty for use of false and incorrect material. —If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.]

10.7 Section 124 of the Customs Act, 1962

124. Issue of show cause notice before confiscation of goods, etc.—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 2[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. 3 [Provided further that notwithstanding the 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.]

10.8 Section 125 of the Customs Act, 1962

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 4[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, the provisions of this section shall not apply:

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.

Explanation.—For removal of doubts, it is hereby declared that in cases where an order under sub-section (1) has been passed before the date on which the Finance Bill, 2018 receives the assent of the President and no appeal is pending against such order as on that date, the option under said sub-section may be exercised within a period of one hundred and twenty days from the date on which such assent is received.]

10.9 Section 30 of SEZ Act, 2005

Subject to the conditions specified in the rules made by the Central Government in this behalf:-

(a) any goods removed from a Special Economic Zone to the Domestic Tariff Area shall be chargeable to duties of customs including antidumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported; and

(b) the rate of duty and tariff valuation, if any, applicable to goods removed from a Special Economic Zone shall be at the rate and tariff valuation in force as on the date of such removal, and where such date is not ascertainable, on the date of payment of duty.

10.10 Rule 28 of SEZ Rules, 2006

28. (1) A Unit or Developer may import goods directly into the Special Economic Zone or through any other:

(a) ports or airports;
(b) land customs stations;
(c) inland container depots;
(d) foreign post offices;
(e) authorized couriers; or
(f) through personal baggage of passengers authorized by the Special Economic Zone Unit; or
(g) Via Satellite data communication such as internet or any other telecommunication link.

(2) Goods imported through ports or airports, land customs stations, or inland container depots shall be allowed to be transferred in full cargo load or less than container load cargo by direct transfer from such port or airport or Inland container Depot or land customs station to the Special Economic Zone.

(3) The import of Information Technology enabled services, including software, shall also be allowed through data communication link, internet, e-mail or any other electronic mode.

(4) The Unit or Developer may also procure goods required for the authorized operations, without payment of duty, from International Exhibitions held in India or from bonded warehouses set up under the Foreign Trade Policy and under the Customs Act in the Domestic Tariff Area;

(5) The goods imported by the Unit or Developer shall be allowed to be transferred from the port or airport to the Special Economic Zone without examination by the Customs Authorities at the port or airport, as the case may be:

Provided that the goods may be examined with the prior permission of the Assistant or Deputy Commissioner of Customs in writing in case there is specific adverse information or intelligence:

(6) The goods imported by a Developer or Unit shall be transshipped by the carrier or its agent directly to the Special Economic Zone.

(7) Where import cargo destination is other than the Special Economic Zone, delivery shall be allowed at the destination port or airport on the strength of Bill of Entry assessed by Special Economic Zone Customs without any Transshipment Bond:

Provided that in case of high value goods imported through the airport, the goods may be transferred to the Custodian who shall transfer the same to a designated Customs Area located inside the Processing Area designated by the Specified Officer for further delivery to the Unit or Developer:

Provided further that the high value cargo imported through the airport may also be transferred under the Customs escort at the option of the Unit or the Developer

10.11 Rule 29 of SEZ Rules, 2006

29. (1) Direct delivery shall be permitted at the place of import for clearance of goods imported by Units and Developer from ports or airports or land customs stations or inland container depots as is being done in the case of import of perishable or lifesaving drugs.

(2) The Unit or Developer, hereinafter referred to as the Special Economic Zone Importer, shall follow the following procedure for imports, namely:-

(a) the Special Economic Zone Importer shall file Bill of Entry for home consumption in quintuplicate giving therein, description with specially stamped endorsement as "Special Economic Zone Cargo" along with Bill of Lading or Airway Bill and invoice and packing list with the Authorized Officer who shall register and assign a running annual serial number and assess the Bill of Entry, on the basis of transaction value, which shall not require any counter signature of the Specified Officer:

10.12 S.O. 2666(E) dated 05.08.2016.—

In exercise of the powers conferred by sub-section (2) of section 21 and second proviso to section 22 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government hereby authorises the Additional Director General, Directorate of Revenue Intelligence for offences under the Customs Act, 1962 (52 of 1962) and the Additional Director General, Directorate General of Central Excise Intelligence for offences under the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) 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 the Special Economic Zone or Unit and shall intimate the details of any action initiated under sub-section (3) of section 21 of the Act to the Joint

Secretary in charge of Special Economic Zones Division in the Department of Commerce immediately and in any case not later than seven days of initiation of any action.

11. CONTRAVENTISON OF PROVISION

11.1 From the foregoing investigation, it emerges that consequent upon the amendment to Section 17 of the Customs Act, 1962 vide Finance Act, 2011, 'Self-Assessment' has been introduced in Customs. Section 17 of the Customs Act, effective from 8.4.2011, provides for self-assessment of duty on imported goods by the importer himself by filing a Bill of Entry in electronic form. Section 46 of the Customs Act, 1962, makes it mandatory for the importer to make an entry for the imported goods by presenting a Bill of Entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011 (issued under Section 157 read with Section 46 of the Customs Act, 1962) the Bill of Entry shall be deemed to have been filed and self-assessment of duty completed when, after entry of the electronic declaration (which is defined as particulars relating to the imported goods that are entered in the Indian Customs Electronic Data Interchange System) in the Indian Customs Electronic Data Interchange System either through ICEGATE or by way of data entry through the service center, a Bill of Entry number is generated by the Indian Customs Electronic Data Interchange System for the said declaration. Thus, under self-assessment, it is the importer who must ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of Entry. Thus, with the introduction of self-assessment by amendments to Section 17, since 8th April, 2011, it is the added and enhanced responsibility of the importer to declare the correct description, value, notification, etc. and to correctly classify, determine and pay the duty applicable in respect of the imported goods.

11.2 The Importer, by mis-declaring the goods and mis-classifying them as detailed in the Table ibid. knowingly and deliberately misrepresented the true nature and classification of the imported Fabrics. This mis-declaration of goods in the Bill of Entry is a contravention of Section 46 of the Customs Act, 1962. The willful misclassification of fabrics under respective CTI was not merely an error but a conscious act to avoid the higher rate of Basic Customs Duty applicable to the actual imported fabrics. This demonstrates an intent to evade legally applicable duties. The pattern of mis-declaration and misclassification across the said consignment, indicates a clear mens-rea and an active intention on the part of the Importer to defraud the revenue. The importer, as an experienced entity in the import trade, is expected to exercise due diligence in ascertaining the correct description and classification of their imports. The willful act of the importer has resulted in short/non-levy of applicable customs duties other taxes.

11.3 By mis-declaring the description of the goods with the intent to conceal the import of actual fabric and misclassifying them, importer intended to evade applicable customs duty. This act of the importer is contrary to the provisions of the Customs Act-1962 and has made the imported goods liable for confiscation under Section 111(m) of the Customs Act, 1962,

11.4 M/s. Guru Nanak Furniture imported fabrics from China by intentionally mis-declaring description of the goods. Such acts of omission and commission to have rendered the goods liable for confiscation under 111(m) of the Customs Act 1962. Hence, this has made importer liable for penalty under Section 112(a) & (b) of the Customs Act, 1962. These actions of the Importer amount to deliberate mis-statement and suppression of facts with intent to evade duty, making them liable for penalty under Section 112(a) & (b) of the Customs Act, 1962, for doing any act which renders the goods liable to confiscation.

11.5 In view of the foregoing facts and evidences on record, it is observed that M/s. Guru Nanak Furniture is a proprietary concern in which M/s. Kamal Gujral, Proprietor of the firm who handles purchase (Import) of goods from China. Shri Kamal Gujaral, being the importer and Proprietor of M/s. Guru Nanak Furniture, has submitted incorrect and false declarations to Customs authorities at the time of import, having full knowledge that the imported goods were other than what was declared in the respective Bill of Entries. Shri Kamal Gujaral Proprietor of M/s. Guru Nanak Furniture indulged in presenting documents falsifying the identity of the goods, before the Customs authorities for import of the goods. Thus, Shri Kamal Gujaral has knowingly and intentionally made a declaration under the Bill of Entry filed under Section 46 of the Customs Act 1962, which is false and incorrect. Hence, Shri Kamal Gujaral has rendered himself liable to penalty under the Section 114AA of the Customs Act 1962.

11.6 Further, the goods imported earlier by M/s. Guru Nanak Furniture had been imported through SEZ and subsequently cleared in DTA which clearly indicate the modus of clearance of imported goods in DTA through SEZ route. The modus of clearances of earlier imported consignments clearly indicate the intention of importer for subsequent clearance of goods in DTA through the SEZ route.

12. In view of the above, an investigation report has been forwarded to Mundra Customs via email dated 26.06.2026, by the Additional Director, Directorate of Revenue Intelligence, Zonal Unit Ahmedabad, with a forwarding letter issued vide F.No. DRI/AZU/GI-02/Enq-21/2026 dated 22.06.2026, whereby it appears that:-

(i) The goods imported under Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026, which found to have been mis-declared in terms of description, CTH & value and seized vide Seizure Memo dated 23.06.2026, should not be reassessed under section 17 of the Customs Act, 1962 by mentioning the correct description and by re-classifying the same under the correct **CTI**, as per Annexure-A, instead of the declared Customs Tariff Heading, and the applicable duties should not be re-assessed, accordingly;

(ii) The declared assessable value of **Rs. 12,12,290/- (Rupees Twelve Lakhs Twelve Thousand Two Hundred and Ninety Only)** should not be rejected and goods not be **re-assessed at ₹ 91,89,356/- (Rupees Ninety One Lakhs Eighty Nine Thousand Three Hundred and Fifty Six only)**, in terms of the Rule 5 of the Customs Valuation Rules 2007 and as detailed in Para 7, 8 and 9, supra;

(iii) The seized goods, as detailed in Seizure Memo dated 23.06.2026 with **re-determined value of ₹ 91,89,356/- (Rupees Ninety One Lakhs Eighty Nine Thousand Three Hundred and Fifty Six only)**, should not be confiscated under Section 111 (m) of the Customs Act, 1962;

(iv) The differential duty amounting to Rs. **32,36,406/- (Rupees Thirty Two Lakhs Thirty Six Thousand Four Hundred and Six Only)**, as discussed above, and arrived at after re-determination of value and reclassification of goods based on test reports, should not be re-assessed in respect of the Z types BE filed by them;

(v) Penalty under Section 112 (a)/(b) of the Customs Act, 1962 should not be imposed on the importer M/s Guru Nanak Furniture;

(vi) Penalty under Section 114AA of the Customs Act, 1962 should not be imposed on Shri Kamal Gujral, Proprietor of M/s Guru Nanak Furniture.

PERSONAL HEARING AND SUBMISSIONS

13. The importer M/s Guru Nanak Furniture vide letter dated 08.07.2026 has submitted the following:

"*…with reference to the above-mentioned subject, we would like to inform you* *that the subject Bill of Entry filed by us which was held for further investigation purposes. The investigation has now been completed, and the file has been put up for adjudication.*

In this regard, we respectfully request your good office to kindly waive the issuance of a Show Cause Notice and Personal Hearing and decide the matter on merits. We hereby undertake to abide by the decision taken by your good office in this matter."

DISCUSSION AND FINDINGS

14. I have carefully gone through the records of the case and Investigation Report dated 22.06.2026. The importer vide letter dated 08.07.2026 has requested for waiver of Show Cause Notice and personal hearing in the matter. Thus, I find that the principles of natural justice as provided under Section 122A of the Customs Act, 1962 have been complied with and I proceed to decide the case on the basis of documentary evidence available on record. The main issues to be decided are:

(i) Whether the goods imported under Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026, seized vide Seizure Memo dated 23.06.2026, are liable to be reassessed under Section 17 of the Customs Act, 1962 by mentioning the correct description and re-classifying the same under the correct CTI, as per Annexure-A, instead of the declared Customs Tariff Heading;

(ii) Whether the declared assessable value of **Rs. 12,12,290/-** (Rupees Twelve Lakhs Twelve Thousand Two Hundred and Ninety Only) is liable to be rejected and the goods re-assessed at **Rs. 91,89,356/-** (Rupees Ninety One Lakhs Eighty Nine Thousand Three Hundred and Fifty Six only), in terms of Rule 5 of the Customs Valuation Rules, 2007;

(iii) Whether the seized goods, with re-determined value of **Rs. 91,89,356/-** (Rupees Ninety One Lakhs Eighty Nine Thousand Three Hundred and Fifty Six only), are liable for confiscation under Section 111(m) of the Customs Act, 1962;

(iv) Whether the differential duty amounting to **Rs. 32,36,406/-** (Rupees Thirty Two Lakhs Thirty Six Thousand Four Hundred and Six Only) is liable to be re-assessed in respect of the Z-type Bills of Entry filed by the importer;

(v) Whether penalty under Section 112(a)/(b) of the Customs Act, 1962 is imposable on the importer M/s Guru Nanak Furniture.

(vi) Whether penalty under Section 114AA of the Customs Act, 1962 is imposable on Shri Kamal Gujral, Proprietor of M/s Guru Nanak Furniture.

15. RE-CLASSIFICATION

15.1 Regarding the first issue, I find that the importer has imported goods declared as "Polyester Fabric with PVC Laminated Width (58"+/-10%)" under CTI 59031090 vide Bill of Entry No. 7778141 dated 27.02.2026, and "Polyester Fabric with PVC Coated Width (58"+/-10%)" and "Non-Woven Fabrics" under CTI 59031090 and 56039490 respectively vide Bill of Entry No. 7783311 dated 27.02.2026. However, on examination conducted under panchnama dated 08.03.2026, it was found that the goods presented were of multiple distinct varieties of fabric, prima facie mis-declared with respect to their description.

15.2 I find that representative samples were drawn and sent to the Laboratory, Textile Committee, Mumbai, which reported vide Test Report Nos. 0153032626-3281 dated 27.04.2026, 0153032526-3282 dated 26.05.2026 and 0153032526-3283 dated 12.05.2026 in respect of Bill of Entry No. 7778141 dated 27.02.2026, and Test Report Nos. 0153032526-3279 dated 27.04.2026 and 0153032525-3280 dated 29.04.2026 in respect of Bill of Entry No. 7783311 dated 27.02.2026. The test results revealed that the imported goods were other than the declared PVC coated polyester fabric or Non-Woven Fabrics, except in respect of representative sample "7778141/C-1" alone.

15.3 I find that in respect of Bill of Entry No. 7778141 dated 27.02.2026, sample "7778141/A-1" was found to be a composite fabric assembled in layers, the essential character whereof, in terms of Rule 3(b) of the General Rules for Interpretation, is imparted by the woven polyester filament component, meriting classification under CTI 54076900; sample "7778141/B-1" was found to be TPU/PU coated dyed woven fabric of 100% texturized polyester filament yarn, meriting classification under CTI 59032030; and sample "7778141/C-1" was found to be PVC coated dyed polyester woven fabric, correctly classifiable under CTI 59039090 as declared.

15.4 I find that in respect of Bill of Entry No. 7783311 dated 27.02.2026, both samples "7783311/A-1" and "7783311/B-1" were found to be knitted cut pile polyester fabrics, meriting classification under CTI 60019200, in place of the declared CTI 59031090 and 56039490.

15.5 I find that Shri Kamal Gujral, Proprietor of M/s Guru Nanak Furniture, in his statement recorded under Section 108 of the Customs Act, 1962 on 04.06.2026, has admitted and confirmed the correctness of the test reports in their entirety and agreed to the re-classification of the goods based thereon, and expressed his readiness to pay the differential duty, including Anti-Dumping Duty, arising out of the required re-classification.

15.6 I find that the aforesaid admission of Shri Kamal Gujral, Proprietor of M/s Guru Nanak Furniture, recorded in his voluntary statement under Section 108 of the Customs Act, 1962 on 04.06.2026, specifically accepting the findings of the Laboratory, Textile Committee, Mumbai test reports and agreeing with the re-classification of the goods based thereon, carries significant evidentiary weight. The Hon'ble Supreme Court in *Romesh Chandra Mehta v. State of West Bengal*, 1999 (110) ELT 324 (SC), has held that statements recorded under Section 108 by a gazetted officer of Customs are admissible as valid evidence. This position has been reiterated by the Hon'ble Supreme Court in *Percy Rustomji Basta v. State of Maharashtra*, 1983 (13) ELT 1443 (SC), wherein it was held that a person giving statement under Section 108 does not stand in the character of an accused person and such statement is not hit by Section 24 of the Evidence Act. The voluntary and unretracted statement of the Proprietor thus corroborates the technical findings of the Laboratory, Textile Committee, Mumbai.

15.7 In view of the above, I hold that the declared description and classification of the goods imported under Bills of Entry Nos. 7778141 and 7783311 both dated 27.02.2026 are liable to be rejected, being found false and incorrect on the basis of the laboratory test reports discussed above and the admission of the importer. Consequently, I hold that the said goods are liable to be re-classified under CTI 54076900, 59032030 and 59039090 (in respect of BE No. 7778141 dated 27.02.2026) and CTI 60019200 (in respect of BE No. 7783311 dated 27.02.2026), as detailed in Annexure-A, and are liable to be reassessed under Section 17 of the Customs Act, 1962 accordingly.

16. <u>RE-DETERMINATION OF ASSESSABLE VALUE</u>

16.1 Regarding the second issue, I find that in terms of Section 14 of the Customs Act, 1962 read with Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the assessable value of imported goods shall ordinarily be the transaction value. Since the description and classification declared by the importer were found to be false and incorrect, as discussed above, the truth and accuracy of the declared transaction value became doubtful.

16.2 I find that in terms of Rule 12 of CVR, 2007, where the proper officer has reason to doubt the truth or accuracy of the value declared, and such doubt persists, it shall be deemed that the transaction value cannot be determined under Rule 3(1) of CVR, 2007. I find that the substantial mis-declaration of description and classification constitutes sufficient grounds for rejection of the declared transaction value under Rule 12 of CVR, 2007. Consequently, in terms of Rule 3(4) of CVR, 2007, the value is required to be determined by proceeding sequentially through Rules 4 to 9.

16.3 I find that Rule 4 of CVR, 2007 was not applicable in the present case, as the detailed technical specifications required to establish identicality of textile fabrics — such as fibre composition, construction, GSM, yarn type and coating — were not available in respect of past imports on record. I find that contemporaneous import data of similar goods of Chinese origin was accordingly examined for valuation of the goods under Rule 5 of CVR, 2007.

16.4 I find that the contemporaneous import data examined for re-determination of the assessable value under Rule 5 of CVR, 2007 is as under:

Sr. No.	Description of Goods	CTI	Contemporaneous Weighted Average Value	Remarks
1	100% Polyester woven printed fabric with Non-texturized Filament Yarn	54076900	USD 1.78 per Sq. Mtr.	As mentioned in Table I, supra
2	Polyurethane coated 100% Polyester Fabric	59032090	USD 0.92 per Sq. Mtr.	As mentioned in Table J, supra
3	Knitted Cut Pile Polyester Fabric	60019200	USD 3.5 per Kg.	As mentioned in Table K, supra

I find that the aforesaid contemporaneous values relate to goods of the same description and country of origin (China), imported at or about the same time as the goods under consideration, and are accordingly appropriate for re-determination of the assessable value of the respective goods under Rule 5 of CVR, 2007.

16.5 I further find that Shri Kamal Gujral, Proprietor of M/s Guru Nanak Furniture, in his statement recorded under Section 108 of the Customs Act, 1962, has accepted the test reports, the re-classification, the quantity re-determination and the contemporaneous valuation methodology adopted during investigation, and expressed readiness to discharge the differential duty liability arising therefrom.

16.6 In view of the above, I hold that the declared assessable value of **Rs. 12,12,290/-** is liable to be rejected under Rule 12 of CVR, 2007, and the assessable value is re-determined at **Rs. 91,89,356/-** in terms of Rule 5 of CVR, 2007, based on contemporaneous import data as detailed at Para 8.3 to 8.9, supra, and Annexure-A.

17. CONFISCATION

17.1 Regarding the third issue, I find that Section 111(m) of the Customs Act, 1962 provides for confiscation of "*any goods which do not correspond in respect of value or in any other particular with the entry made under this Act.*". In the present case, I find that the goods imported under Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026 do not correspond with the entry made in the said Bills of Entry in respect of description, classification and value, as established through laboratory testing and admitted by the importer. I find that the importer has violated Section 46 of the Customs Act, 1962 by failing to make a true and correct declaration in the Bills of Entry.

17.2 I find that the importer's acts of mis-declaration of description, classification and value, undertaken with the intent to evade applicable Customs duty and Anti-Dumping Duty, have rendered the goods liable to confiscation. Therefore, I hold that the goods imported vide Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026, having re-determined assessable value of **Rs. 91,89,356/-**, are liable for confiscation under Section 111(m) of the Customs Act, 1962.

17.3 Once the goods are held liable for confiscation, the next question before me is whether to allow the release of the impugned goods on Redemption Fine. I find that sub-section (1) of Section 125 of the Customs Act, 1962 prescribes that:

> "*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.*"

17.4 In the present case, since the imported goods are not prohibited goods, I find it appropriate to give M/s Guru Nanak Furniture an option to redeem the confiscated goods on payment of Redemption Fine under Section 125 of the Customs Act, 1962 for clearance for home consumption.

18. RE-ASSESSMENT/CONFIRMATION OF DIFFERENTIAL DUTY

18.1 Regarding the fourth issue, I find that on account of the re-classification and re-determination of value as discussed above, the differential duty payable in respect of the Z-type Bills of Entry filed by the importer works out as detailed in Annexure-A. I find that the goods re-classified under CTI 59032030 (Polyurethane coated dyed woven fabric, covered under Bill of Entry No. 7778141 dated 27.02.2026) attract Anti-Dumping Duty @ USD 0.46 per Sq. Mtr., in terms of the applicable Anti-Dumping Duty notification, in addition to Basic Customs Duty, Social Welfare Surcharge and IGST leviable thereon.

18.2 I find that the differential duty arising out of the re-classification and re-determination of value, as detailed in Annexure-A, is as under:

Sr. No.	Bill of Entry No. & Date	Declared AV (Rs.)	Duty Declared (Rs.)	Re-determined AV (Rs.)	Anti-Dumping Duty Component (Rs.)	Duty Payable (Rs.)	Differential Duty (Rs.)
1	7778141 dated 27.02.2026	5,43,717.16	1,52,784.50	37,92,390.80	9,47,360.34	20,60,512.24	19,07,727.74
2	7783311 dated 27.02.2026	6,68,572.50	1,87,869.00	53,96,965.35	—	15,16,547.26	13,28,678.26
	Total	**12,12,289.66**	**3,40,653.50**	**91,89,356.15**	**9,47,360.34**	**35,77,059.50**	**32,36,406.00**

I find that as against the total declared duty of Rs. 3,40,653.50 on the declared assessable value of Rs. 12,12,289.66, the total duty payable on the re-determined assessable value of Rs. 91,89,356.15 — inclusive of Basic Customs Duty, Social Welfare Surcharge, IGST and Anti-Dumping Duty of Rs. 9,47,360.34 on the Polyurethane coated fabric — works out to Rs. 35,77,059.50, resulting in a differential duty of Rs. 32,36,406/- (Rupees Thirty Two Lakhs Thirty Six Thousand Four Hundred and Six Only).

18.3 Therefore, I hold that the differential duty amounting to **Rs. 32,36,406/-** (Rupees Thirty Two Lakhs Thirty Six Thousand Four Hundred and Six Only), inclusive of Anti-Dumping Duty of Rs. 9,47,360.34 on the goods re-classified under CTI 59032030, is liable to be re-assessed and recovered in respect of the Z-type Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026 filed by the importer.

19. PENALTY ON M/S GURU NANAK FURNITURE

19.1 Regarding the fifth issue, I find that Section 112(a) of the Customs Act, 1962 provides that any person 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, shall be liable to penalty. In the present case, I find that M/s Guru Nanak Furniture, through its Proprietor Shri Kamal Gujral, deliberately and knowingly mis-declared the description, classification and value of the goods imported under Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026, with the specific intent to evade applicable Customs duty and Anti-Dumping Duty, thereby rendering the said goods liable to confiscation under Section 111(m) of the Customs Act, 1962. I find that the mis-declaration was not an isolated or inadvertent error but was accompanied by deliberate camouflaging of Anti-Dumping-Duty-attracting Polyurethane coated fabric under the cover of correctly-declared PVC coated fabric found in the very same consignment, thereby establishing clear mens rea on the part of the importer. Accordingly, I hold that M/s Guru Nanak Furniture is liable to penalty under **Section 112(a)(ii)** of the Customs Act, 1962.

19.2 I further find that imposition of penalty simultaneously under both Section 112(a) and Section 112(b) of the Act would amount to double penalty for the same act, which is not warranted. I therefore refrain from imposing penalty under Section 112(b) of the Act.

20. PENALTY ON SHRI KAMAL GUJRAL, PROPRIETOR OF M/S GURU NANAK FURNITURE

20.1 Regarding the sixth issue, I find that Section 114AA of the Customs Act, 1962 provides for penalty on 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 for the purposes of the Act. I find that Shri Kamal Gujral, Proprietor of M/s Guru Nanak Furniture, in his statement recorded under Section 108 of the Customs Act, 1962 on 04.06.2026, has himself admitted that the Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026 were filed by him after careful application of mind, and that he, being the proprietor, is aware of his responsibility to file true and correct particulars under the Customs law. Despite this admitted awareness, the goods were knowingly declared under a false description and classification, resulting in evasion of Customs duty and Anti-Dumping Duty to the extent of Rs. 32,36,406/-. I find that this constitutes knowing and intentional use of false and incorrect material in documents filed for Customs purposes by Shri Kamal Gujral personally, and is not a case of mere clerical or bona fide error. Accordingly, I hold that Shri Kamal Gujral, Proprietor of M/s Guru Nanak Furniture, is liable to penalty under **Section 114AA** of the Customs Act, 1962.

ORDER

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

(i) I order to reject the declared description and classification of the goods imported under Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026, and order re-classification of the same under CTI 54076900, 59032030 and 59039090 (in respect of BE No. 7778141) and CTI 60019200 (in respect of BE No. 7783311), as per Annexure-A, in place of the declared Customs Tariff Headings, and order re-assessment of the goods under Section 17 of the Customs Act, 1962 accordingly;

(ii) I order to reject the declared assessable value of **Rs. 12,12,290/-** (Rupees Twelve Lakhs Twelve Thousand Two Hundred and Ninety Only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and order re-determination of the assessable value at **Rs. 91,89,356/-** (Rupees Ninety One Lakhs Eighty Nine Thousand Three Hundred and Fifty Six only) in terms of Rule 5 of CVR, 2007;

(iii) I order to confiscate the seized goods covered under Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026, with re-determined value of **Rs. 91,89,356/-** (Rupees Ninety One Lakhs Eighty Nine Thousand Three Hundred and Fifty Six only), under Section 111(m) of the Customs Act, 1962. However, I give option to the importer to redeem the said goods for home consumption under Section 125 of the Customs Act, 1962 on payment of Redemption Fine of **Rs. 9,00,000/-** (Rupees Nine Lakhs Only);

(iv) I confirm the differential duty amounting to **Rs. 32,36,406/-** (Rupees Thirty Two Lakhs Thirty Six Thousand Four Hundred and Six Only) in respect of the Z-type Bills of Entry No. 7778141 and 7783311 both dated 27.02.2026, recoverable from M/s Guru Nanak Furniture;

(v) I impose penalty of **Rs. 3,20,000/-** (Rupees Three Lakh Twenty Thousand Only) on M/s Guru Nanak Furniture under **Section 112(a)(ii)** of the Customs Act, 1962;

(vi) I impose penalty of **Rs. 50,000/-** (Rupees Fifty Thousand Only) on Shri Kamal Gujral, Proprietor of M/s Guru Nanak Furniture under **Section 114AA** of the Customs Act, 1962.

22. This order is issued without prejudice to any other action that may be taken against the importer or any other person under the provisions of the Customs Act, 1962 or any other law for the time being in force in the Republic of India.

Digitally signed by
Dipakbhai Zala
Date: 21-08-2026
18:07:35

(Dipak Zala)
Additional Commissioner of Customs,
Custom House, Mundra

Encl: Annexure-A

To,

1. M/s. Guru Nanak Furniture (IEC No. AMQPG0727L),
Ground Floor, Shop No. AB-184, Amar Puri, Ram Nagar,
Pahar Ganj, Delhi – 110055

2. Shri Kamal Gujral,
Proprietor of M/s. Guru Nanak Furniture (IEC No. AMQPG0727L),
Ground Floor, Shop No. AB-184, Amar Puri, Ram Nagar,
Pahar Ganj, Delhi – 110055

Copy to:

1. The Additional Director, Directorate of Revenue Intelligence, Zonal Unit, Ahmedabad
2. The Deputy Commissioner, Review, Customs House, Mundra
3. The Deputy Commissioner, TRC, Custom House, Mundra
4. The Deputy Commissioner, EDI, Custom House, Mundra
5. Guard File