

	<p>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, एमपी और एसईजेड, मुंद्रा, कच्छ-गुजरात -370421 <b>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, MP &amp; SEZ MUNDRA, KUTCH-GUJARAT</b> <b>PHONE : 02838-271426/271428</b> <b>FAX :02838-271425</b> <b>Mail: <a href="mailto:group3-mundra@gov.in">group3-mundra@gov.in</a></b></p>	 <p>आज़ादी का अमृत महोत्सव</p>
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<b>A</b>	फा. सं./FILE NO.	F. No. CUS/APR/843/2026-Gr 3-O/o Pr Commr-Cus-Mundra
<b>B</b>	मूल आदेश संख्या/ <b>ORDER-IN-ORIGINAL NO.</b>	MCH/ADC/ZDC/668/2025-26
<b>C</b>	द्वारा पारित किया गया / <b>PASSED BY</b>	Dipak Zala Addl. Commissioner of Customs Mundra Customs House
<b>D</b>	आदेश की तिथि <b>DATE OF ORDER</b>	11.03.2026
<b>E</b>	जारी करने की तिथि <b>DATE OF ISSUE</b>	11.03.2026
<b>F</b>	कारण बताओ नोटिस संख्या & तिथि <b>SCN NUMBER &amp; DATE</b>	Waived
<b>G</b>	आयातक / नोटिस प्राप्तकर्ता <b>ImPORTER / NOTICEE</b>	<b>M/s. Sarojbiz International (OPC) Private Limited, (IEC: ABHCS3117M) 2nd Floor, Office No. 3/8, Asaf Ali Road, New Delhi - 110002</b>
<b>H</b>	डिन संख्या /DIN NUMBER	<b>20260371MO000072177D</b>

1. यह आदेश संबंधित को निःशुल्क प्रदान किया जाता है।

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

2. यदि कोई व्यक्ति इस आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

Any person aggrieved by this Order - in - Original may file an appeal under Section 128A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

**“सीमाशुल्क आयुक्त (अपील),**

**चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,**

**नवरंगपुरा, अहमदाबाद 380 009”**

**“THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA**

**HAVING HIS OFFICE AT 4<sup>TH</sup> FLOOR, HUDCO BUILDING, ISHWAR BHUVAN  
ROAD,**

**NAVRANGPURA, AHMEDABAD-380 009.”**

3. उक्त अपील यह आदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए।

Appeal shall be filed within sixty days from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-

Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must be accompanied by –

- (i) उक्त अपील की एक प्रति और A copy of the appeal, and
- (ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं.-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

This copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/- (Rupees Five only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

5. अपील ज्ञापन के साथ ड्यूटी/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये।

Proof of payment of duty / interest / fine / penalty etc. should be attached with the appeal memo.

6. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमाशुल्क अधिनियम, 1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।

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

7. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (A) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।

An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

**Brief facts of the Case:**

M/s. SAROJBIZ INTERNATIONAL (OPC) PRIVATE LTD. (IEC: ABHCS3117M) (hereinafter referred to as 'the importer' for the sake of brevity) having address at 2nd Floor, Office No. 3/8, Asaf Ali Road, New Delhi - 110002, had filed Bill of Entry No. 5767477 dtd 21.11.2025 for import of the following declared goods weighing 16216 Kgs, (G.Wt.) 624 PKG, through Container No. HMMU6662811:

**Table-1**

Exchange Rate: 1 USD = 89.5 INR

Item Sr. No. in the BE	CTH	Description of Goods	Unit Price (in USD)	Quantity (UQC/PCS)	Amount (in USD)	Assessable Value (inRs.)	Duty (in Rs.)
1	590310 90	Polyester Fabric with PVC backing width 58 (+/-10 %)	0.20	31200	6240	558480	156933

**2.** On the basis of NCTC Alert received for the subject consignment, container no. HMMU6662811 was put on hold by SIIB, Custom House, Mundra for 100% examination. Subject consignment was examined by SIIB, Custom House, Mundra at M/s Seabird Marine Services (Gujarat) Pvt. Ltd. on under Panchnama dated 21.11.2025 in the presence of Shri Baliram B. Nemade, Assistant Manager, Operation M/s Seabird Marine Services (Gujarat) Pvt. Ltd., CFS Mundra and Shri Meetha Lal Meena authorized representative of the Importer. Shri Meetha Lal Meena authorized representative of the Importer provided BE, Bill of Lading, Commercial Invoice List, Packing List, Weighment Slip and other relevant documents for Bill of Entry No. 5767477 dtd 21.11.2025.

**2.1.** Container no. and seal no. were verified and thereafter, seal cutting was allowed and goods were 100% destuffed from the containers. Container was completely stuffed with different colour fabric rolls from starting to the end of the said Container of 40FT Length. With the help of labourers provided by the CFS, all the goods were de-stuffed from the containers and goods were placed in open area in the warehouse M/s Seabird Marine Services (Gujarat) Pvt. Ltd. During examination It was found that there were fabric rolls of different color which were wrapped inside two type packaging one is in transparent polythene and other one in white PP Packaging. On examination of fabric rolls, two types of fabric are found based on appearance, touch and feel. Thereafter, No. of rolls were counted in the presence of Shri Baliram B. Nemade, Assistant Manager, Operation and Shri Meetha Lal Meena and counted 624 rolls, Tally clerk of CFS also provided tally Sheet. Width and weighment of Fabric rolls were measured on random basis. Further, on prima facie it appears that fabric rolls are without coating. On visual examination Exact Nature, composition, description of the fabrics could not

ascertained. Thereafter Two representative sample has been taken for testing purpose.

Description of Goods	Sample	No. of Fabric rolls	Width of Each Roll	Total weight
Fabric rolls of similar width, different colour and packed in transparent polythene	Sample "A" (Grey Colour)	240	160 CM	5952 Kgs
Fabric rolls of similar width, different colour and packed in PP Packaging	Sample "B" (Light yellow Colour)	384	160 CM	10328 Kgs
Total		624		16280 Kgs

**2.2.** Sample was sent to the CRCL, Kandla for testing, Test Report for which is as under:

**A. Sample A**

The sample as received is in the form of cut piece of dyed ( grey colour) warp knitted fabric having raised fiber on one side. It is wholly composed of polyester filament yarn.

GSM (as such) = 341.9 Width

(Selvedge to selvedge) = 158cm

It is other than PVC backing fabric.

**B. Sample B**

The sample as received is in the form of cut piece of dyed ( light brown coloured) weft knitted fabric having self-designed on one side. It is wholly composed of polyester filament yarn (textured) and polyester bulk yarn.

GSM (as such) = 472.0 Width

(selvedge to selvedge) = 172cm

It is other than PVC backing fabric.

**3.** As per the above said Test Reports, the items declared are appear to be misdeclared in terms of description and classification as detailed below:

**Table - 2**

S.	CTH as per	Description	of	Actual CTH	Actual	Actual	Remarks
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Knitted Fabric. Hence, the goods being Polyester Weft dyed Knitted Fabric are rightly covered under seventh double dash (--) entry i.e. Dyed and classifiable under the CTH: 60063200. Further, Import Policy for the above (HS) codes, import is 'Free'.

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

**4.1.** Since during examination, the imported items has been found misdeclared in terms of description/CTH classification, as detailed in Table-B above, there appears to be reason to doubt the truth or accuracy of the value declared in relation to the impugned imported goods. Therefore, the declared assessable value of the goods cannot be considered as transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (CVR, 2007) and thus, the same is liable to be rejected in terms of Rule 12 of CVR, 2007. Since the value of goods declared by importer in the subject Bill of Entry did not appear to be the true transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the CVR, 2007 and thus, the same is liable to be rejected in terms of Rule 12 of CVR, 2007.

**4.2.** As per Rule 3(4) of CVR, 2007, 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. The subject consignment comprises unbranded items of China origin and in absence of credible data of import of similar/identical goods due to upper quality of goods and other constraints, the value of these goods cannot be determined under Rule 4 to 8 of CVR, 2007. Hence, the value is to be determined under Rule 9 (Residual method) of CVR, 2007 which is reproduced as under:

#### **“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."

**4.3.** Therefore, opinion of the Empanelled Chartered Engineer Anwar Y. Kukkad, was sought for valuation purpose. The Chartered Engineer vide CE Opinion Certificate Ref:- AYK: VAL: 02800:2025 dated 28.01.2026 has provided the valuation of the declared goods as detailed below:

**Table-3**  
**(Valuation Table by CE)**

(1 USD = 89.5 INR)

<b>S N O.</b>	<b>DISCRIPT ION OF GOODS</b>	<b>QTY (Kgs)</b>	<b>PER UNIT CIF VALUEASSES SED BY CE IN INR (APPROX.)</b>	<b>PER UNIT AVERG E CIF VALUE . ASSESS ED BY C.E. IN USD (APPRO X.)</b>	<b>TOTAL AVERAGE CIF VALUEASSES SED BY C.E. IN USD (APPROX.)</b>	<b>Custo m Conv. Ex. Rate</b>	<b>TOTAL VALUE - ASSESS ED BY CE IN INR (APPRO X. )</b>
1	Polyester Warp Dyed Knitted Fabric	5952	313.25	3.5	20832.00	89.50	1864464 .00
2	Polyester Weft Dyed Knitted Fabric	10328	98.45	1.10	11360.80	89.50	1016792
<b>TOTAL</b>				<b>16280</b>	<b>32192.80</b>		<b>288125 6</b>

**4.4.** The above said CE Opinion Certificate was shared with the importer and the same has been accepted by them vide their email dated 05.02.2026 and they have

further submitted that they don't want any Show Cause Notice and Personal Hearing in the matter.

**4.5.** As per the above said CE Opinion Certificate, Total Suggestive CIF value of the imported goods is 32192.80 USD (Rs. 28,81,256/-) instead of declared CIF value of 6240 USD (Rs. 5,58,480/-). Hence, there is difference of Rs. 23,22,476/- between the re-determined CIF value and the declared CIF value.

**5.** For further investigation, summonses were issued to the importer and subsequently, Statement of Shri Tushant Bhayana, Director of M/s. Sarojbiz International (OPC) Private Limited was recorded on 21.01.2026 wherein he interalia stated that:

- M/s. Sarojbiz International (OPC) Private Limited is engaged in the activity of trading of textile fabric mainly Polyester fabric with PVC backing;
- He perused and agreed with the results of the test reports received from CRCL, Kandla in respect of goods imported under Bill of Entry No. 5767477 dated 18.11.2025;
- He perused the test reports received for item in consignment imported vide subject bill of entry declared as Polyester Fabric with PVC backing width 58 (+/-10 %), goods have been found to be Polyester Warp Dyed Knitted Fabric and Polyester Weft Dyed Knitted Fabric. He stated that he agree with the above mentioned test reports. He had placed the order for Polyester Fabric with PVC backing width 58 (+/-10 %) only. However, the supplier has sent the wrong item. He further stated that they have already communicated the wrong consignment loaded by the supplier to their agent i.e. M/s. Alliance Global Trading Limited, Shaoxing, China who has forwarded the same to the main supplier i.e. M/s. Fabecaan International Limited, Kwun Tong, China. M/s. Fabecaan International Limited vide their email letter dated 13.01.2026 has admitted that they have sent the wrong consignment and requested for re-export of the same. He produced the email conversation with the agent i.e. M/s. Alliance Global Trading Limited, Shaoxing, China and main supplier is M/s. Fabecaan International Limited, Kwun Tong, China.
- He requested to re-export of the cargo and agreed to pay applicable duty/penalty/fine.

- He requested the Department to take lenient view in the matter and the importer doesn't want any SCN or PH in the matter.

## 6. Duty Calculation:

6.1. In view of the same, applicable duty for the goods i.e. Polyester Warp Dyed Knitted Fabric falling under CTH 60053790 is as follows

CTH 60053790: BCD 20% of the assessable value  
SWS: 10%  
IGST: 5 %

Further, the import condition is 'Free' if CIF value is 3.5 US Dollar and above per kilogram vide DGFT Notification No. 05/2025-26 dated 23.04.2025. The Chartered Engineer vide CE Opinion Certificate Ref:- AYK: VAL: 02800:2025 dated 28.01.2026 has provided the valuation of the declared goods as 3.5 US Dollar per kilogram and same has been accepted by the importer.

6.2. Further, applicable duty for the goods i.e. Polyester Weft Dyed Knitted Fabric falling under CTH 60063200 is as follows

CTH 60063200: BCD 20% of the assessable value or Rs.115 per kg.  
**whichever is high**  
SWS: 10%  
IGST: 5 %

On perusal of the above, it is found that the Basic Customs duty prescribed is either 20% of the assessable value or Rs.115 per Kg whichever is high. Accordingly, duty is calculated by both methods considering CIF value of the goods as 11360.80 USD (Rs. 10,16,792/-), which is as under:

**Table 4**

Sr. No.	Item Description	CTH As declared	CTH actual	Net Quantity (in Kgs)	CIF Value (in Rs.)	Basic Customs Duty (20% of the assessable value) (in Rs.)	Customs Duty (in Rs.) (Rs.115 per kg)
1	Polyester Weft Dyed Knitted Fabric	59031090	60063200	10328 kgs	10,16,792	2,03,358	11,87,720

In view of the above, it is found that the Basic Customs Duty comes to Rs. 11,87,720/-, if calculated @ Rs.115 per kg. Hence, the Basic Customs Duty is higher, if calculated @ Rs.115 per kg.

Further, in view of above said CE Opinion Certificate, total duty payable in respect of goods covered under the subject Bill of Entry 5767477 dtd. 21.11.2025 comes to Rs. 1946570/-as calculated below:

**Table-5**

Item Sr. No. in the BE	CTH	Description of Goods	Assessable Value as per CE Report (in Rs.)	BCD (in Rs.)	SWS (in Rs.)	IGST (in Rs.)	Total Duty (in Rs.)
1	60053790	Polyester Warp Dyed Knitted Fabric	1864464	372893	37289	113732	523914
2	60063200	Polyester Weft Dyed Knitted Fabric	1016792	1187720	118772	116164	1422656
<b>TOTAL</b>							<b>1946570</b>

In view of the above, it is found that the Total Suggestive assessable value of the imported goods is Rs. 2881256/- instead of declared assessable value of 5,58,480/- at the exchange rate of 1 USD=89.5 INR. Hence, there is difference of Rs. 23,22,476/- between the re-determined assessable value and the declared assessable value.

**6.3** In view of the foregoing paras and investigation conducted in the matter, it is noticed that the impugned goods have been mis-declared by the importer in terms of quantity, description, classification and valuation. Therefore, it appears that the importer has contravened the provisions of Section 17 and Section 46 of the Customs Act, 1962 in as much as they have failed to make correct and true declaration/information in the subject Bill of Entry. These acts of omission and commission on the part of importer has made the impugned goods having re-determined assessable value of Rs. 2881256/- liable for confiscation under Section 111 (l) and 111 (m) of the Customs Act, 1962 and hence, rendered the importer liable for penal action under Section 112(a)(ii) of the said Act. Furthermore, it appears that by mis-declaring the value of the subject goods under import, the importer has also short declared the duty amounting to Rs. 17,89,637/-.

**6.4** Further, in terms of Section 46(4) of the Customs Act, 1962, the importer is required to make a declaration as to the truth of the contents of the Bill of Entry submitted for assessment of Customs duty. In the present case, it appears that the importer has tried to clear the goods by way of mis-declaration and undervaluation in order to avoid duty on higher assessable value. Hence, it appears that the importer had knowingly involved themselves in the suppression of the material facts and also indulged in mis-statement of facts. These acts of omission and commission on part of the importer have rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

## **7. RELEVANT LEGAL PROVISIONS:**

### **RELEVANT PROVISIONS OF THE CUSTOMS ACT, 1962:**

#### **Section 2. Definitions-**

In this Act, unless the context otherwise requires,

**(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;

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

**(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;

**(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;

**(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. Definitions-**

In this Act, unless the context otherwise requires,

**(a)** "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 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:

....

- (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, and other such documents relating to the imported goods as may be prescribed.

- (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:-

.....

(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;

(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;

**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,-

(i) .....

(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:

**Section 114AA. Penalty for use of false and incorrect material. -**

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

**8. Summary of Investigation Conducted:**

**8.1.** The importer M/s.SAROJBIZ INTERNATIONAL (OPC) PRIVATE LTD. (IEC: ABHCS3117M) had filed Bill of Entry No. 5767477 dtd. 21.11.2025 at Mundra Port for import of goods declared as Polyester Fabric with PVC backing width 58 (+/-10 %), as listed in the Bill of Entry having declared assessable value of Rs. 5,58,480/- and declared duty of Rs. 1,56,933/-. The goods were examined by the officers of SIIB and representative samples were sent to CRCL, Kandla for testing. As per the test reports, it is found that the goods were found mis-declared in terms of classification and declaration and were actually found as Polyester Warp Dyed Knitted Fabric and Polyester Weft Dyed Knitted Fabric. Further, the assessable value of the subject consignment has been re-determined as Rs. 2881256/- on the basis of CE Opinion Certificate dated 28.01.2026 in view of Rule 9 of the CVR, 2007, on which applicable duty comes to Rs. 1946570/- as detailed in Table-D above resulting in differential duty of Rs. 17,89,637/-.

**8.2.** The importer has thus contravened Section 17 and Section 46 of the Customs Act, 1962 and the CVR, 2007 in as much as they failed to make correct declarations in the subject Bill of Entry filed by them and correctly assess their duty liability. It further appears that the importer has tried to clear the goods by way of mis-declaration/ mis-classification/ undervaluation in order to avoid duty on higher assessable value. Hence, it appears that the importer had knowingly involved themselves in the suppression of the material facts and also indulged in mis-statement of facts. These acts of omission and commission on the part of importer has made the subject goods having re-determined assessable value of Rs. 2881256/- liable for confiscation under Section 111(d), 111(l) and 111 (m) of the Custom Act, 1962 and rendered the importer liable for penal action under Section 112(a)(ii) and 114 AA of the said Act.

**9.** The importer M/s.SAROJBIZ INTERNATIONAL (OPC) PRIVATE LTD. vide their email dated 05.02.2026 has accepted the CE Report. Further, they submitted that they don't want any Show Cause Notice and Personal Hearing in the matter and agreed to pay the differential duty along with applicable penalty.

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

- (i) The description and classification of imported goods of the above said Bill of Entry declared as “Polyester Fabric with PVC backing width 58

(+/-10 %)” under CTH: 59031090 are liable to be rejected and the said item is liable to be described as “Polyester Warp Dyed Knitted Fabric and Polyester Weft Dyed Knitted Fabric” under CTH: 60053790 and 60063200 respectively;

- (ii) The declared assessable value of the goods in Bill of Entry No. 5767477 dtd. 21.11.2025 i.e. Rs. 5,58,480/- is liable to be rejected under Rule 12 of the CVR, 2007 and the same is required to be re-determined as Rs. 2881256/- as opined in the CE Opinion Certificate dated 28.01.2026 in view of Rule 9 of the CVR, 2007;
- (iii) The above said Bill of Entry is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962;
- (iv) The impugned goods imported by way of undervaluation and having re-determined assessable value of Rs. 2881256/-, are in contravention of Section 46 of the Customs Act, 1962 and therefore, liable for confiscation under Section 111 (d), 111 (l) and 111(m) of the Customs Act, 1962;
- (v) The importer M/s.SAROJBIZ INTERNATIONAL (OPC) PRIVATE LTD. (IEC: ABHCS3117M) is liable for penalty under Section 112(a)(ii) and 114 AA of the Customs Act, 1962.

## **DISCUSSION AND FINDINGS**

**11.** I have carefully gone through the Investigation report No. 255/2025-26 dated 09.02.2026 issued by the Deputy Commissioner of Customs (SIIB), Mundra as received from the SIIB. I find that the importer vide their email dated 05.02.2026 has stated that they do not want any show cause notice and personal hearing. Thus, I find that the principle of natural justice as provided in section 122A of the Customs Act, 1962 has been complied. Now, I proceed to decide the case based on the documentary evidence available on records.

**12.** On going through the facts of the case, I find that the following issues needed to be decided in the present proceedings:

- i. Whether the classification of the goods i.e. Polyester Fabric with PVC backing width 58 (+/-10 %) as CTH 59031090 as declared by the importer in the said Z type BEs 5767477 dated 21.11.2025 are liable to be rejected and the goods are required to be re-classified under CTH 60063200 and 60053790 and Whether the said Z type BEs No. 5767477

dated 21.11.2025 are liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962?

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

BE No. & date	Declared Value	Re-determined Value
5767477 (Z-Type) dated 21.11.2025	5,58,480/-	28,81,256/-

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

Particulars	Declared in the BE	Re-determined	<b>resulting in a short-levy of</b>
	Amount in Rs.	Amount in Rs.	
Total Duty	1,56,933/-	19,46,570/-	<b>17,89,637/-</b>

- iv Whether the goods have been imported by way of mis-declaration in contravention of Sec 46 of the Customs Act, 1962 and are therefore liable for confiscation under Section 111(d), Section 111(m) and Section 111(m) of the Customs Act, 1962 in the Bill of Entry;
- v Whether the importer is liable for Penalty under Section 112(a)(ii) of the Customs Act, 1962.
- vi Whether the importer is liable for Penalty under Section 114AA of the Customs Act, 1962.

**13.** I find that **M/s. SAROJBIZ INTERNATIONAL (OPC) PRIVATE LTD**, had filed Z-Type Bills of Entry no. 5767477 dated 21.11.2025 for clearance of goods viz. Polyester Laminated Fabric with details as under:

**Table 6**

Item Sr. No. in the	CTH	Description of Goods	Unit Price (in USD)	Quantity (UQC/ PCS)	Amount (in USD)	Assessable Value (inRs.)	Duty (in Rs.)
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BE							
1	5903109 0	Polyester Fabric with PVC backing width 58 (+/-10 %)	0.20	31200	6240	558480	156933

**14.1** I find that the said consignments was placed on hold by the Special Intelligence and Investigation Branch (SIIB), Mundra Customs on the basis of NCTC Alert and the container for detailed examination on the basis of intelligence. Further. The examination of the consignments was carried out by the officers of the Special Intelligence and Investigation Branch (SIIB), Mundra Customs under Panchnama dated 21.11.2025, in presence of Shri Baliram B. Nemade, Assistant Manager, Operation M/s Seabird Marine Services (Gujarat) Pvt. Ltd., CFS Mundra and Shri Meetha Lal Meena authorized representative of the Importer. I find that as per the documents provided at the time verification by the authorised representative the details of the consignment are as follows in table no.7

**Table 7**

SEZ Bill of Entry No. & date	No. Of Fabric Rolls	Description of Goods as per B/E & Declared CTH
5767477 dated 21.11.2025 (Z-Type)	624	Polyester Fabric with PVC backing width 58 (+/-10 %) (CTH 59031090)

**14.2** I also find that the officers along with along with panchas and Shri Meetha Lal Meena inspected the container for any damage and tear or wear from outside of container and found that the container was in sound and proper condition and seal was found intact. Further, on verification by the officers, container no. and Seal No. were found to be matching the above bill of entry and seal was found to be intact. Further, on being requested by the officer, Shri Meetha Lal Meena authorized representative of the Importer provided BE, Bill of Lading, Commercial Invoice List, Packing List, Weighment Slip and other relevant documents for Bill of Entry No. 5767477 dtd 21.11.2025.

**14.3** I further find that the seal of the container was cut opened in the presence of Shri Meetha Lal Meena. Further, on opening the container it is found that the imported goods in the said container were fabric in rolls and wrapped in white PP bags and polythene bags. Further, on being requested by the officer, all the imported goods of container were de-stuffed and placed on the floor in open area in

the warehouse M/s Seabird Marine Services (Gujarat) Pvt. Ltd. The officers found that the container contained fabric rolls of different color which were wrapped inside two type packaging one is in transparent polythene and other one in white PP Packaging. On examination of fabric rolls, two types of fabric are found based on appearance, touch and feel. Further, the no. of rolls were counted and found to be 624 in number. The detail of the same is as under table 8: -

**Table-8**

Description of Goods	Sample	No. of Fabric rolls	Width of Each Roll	Total weight
Fabric rolls of similar width, different colour and packed in transparent polythene	Sample "A" (Grey Colour)	240	160 CM	5952 Kgs
Fabric rolls of similar width, different colour and packed in PP Packaging	Sample "B" (Light yellow Colour)	384	160 CM	10328 Kgs
Total		624		16280 Kgs

**14.4** I find that to ascertain the exact nature, composition and description of the fabrics, the representative samples were drawn for each type of fabric during examination for laboratory testing as mentioned above.

**Determination of classification/quantity**

**15.1** I further find that the samples drawn during examination were forwarded to CRCL, Kandla to ascertain/confirm the nature and description of the material used for the said imported items.

**15.2** I find that the CRCL, Kandla Lab vide their Lab report has submitted their observation as detailed below,

**A. Sample A**

The sample as received is in the form of cut piece of dyed ( grey colour) warp knitted fabric having raised fiber on one side. It is wholly composed of polyester filament yarn.

GSM (as such) = 341.9 Width (selvedge to selvedge) = 158cm

It is other than PVC backing fabric.

**B. Sample B**

The sample as received is in the form of cut piece of dyed ( light brown coloured) weft knitted fabric having self-designed on one side. It is wholly composed of polyester filament yarn (textured) and polyester bulk yarn.

GSM (as such) = 472.0 Width (selvedge to selvedge) = 172cm

It is other than PVC backing fabric.

**15.3** I find that as per the test reports received from the Central Revenues Control Laboratory (CRCL), Kandla, the composition and nature of the imported goods were found to be different from those declared in the respective Bill of Entry. I find that the importer has declared the goods as “**Polyester Fabric with PVC backing width 58 (+/-10 %) (CTH 59031090)**” however the test result corroborates that the goods are not correctly described by the importer at the time of filing of the Bill of Entry. Based on the findings of the CRCL, the correct classification (CTH) of the imported goods has been determined as follows: -

**Table-9**

S.	CTH as per BE	Description of Goods as per BE	Actual CTH as per Test Report	Actual Description of Goods as per Test Report	Actual quantity (Kgs)	Remarks
1	59031090	Polyester Fabric with PVC backing	60053790	Polyester Warp Dyed Knitted Fabric	5952 Kgs	Mismatch in Description and Classification
			60063200	Polyester Weft Dyed Knitted Fabric	10328 Kgs	Mismatch in Description and Classification

**15.4** Accordingly, the importer’s declaration of the **Polyester Fabric with PVC backing width 58 (+/-10 %)(CTH 59031090)** is found to be incorrect and not in conformity with the actual nature and composition of the goods. The correct classification of the goods is as mentioned above in the table 9.

**15.5** Relevant entries under the CTH 6005 are as under:

**6005**

**WARP KNIT FABRICS (INCLUDING THOSE MADE ON GALLOON KNITTING MACHINES), OTHER THAN THOSE OF HEADINGS 6001 TO 6004**

	-	Of Synthetic Fibres:
600537	--	Other, dyed:
60053790	---	Other

Knitted dyed Warp Polyester fabrics are covered under CTH: 6005. The importer has declared imported item as Polyester Fabric with PVC backing, however as per the said test report, goods of the quantity 5952 Kgs are found as Polyester Warp Dyed Knitted Fabric. Hence, the goods being Polyester Warp dyed Knitted Fabric are rightly covered under ninth triple dash (---) entry i.e. Other and classifiable under the CTH: 60053790 in case of **Sample A**.

**15.6** Relevant entries under the CTH 6006 are as under:

<b>6006</b>		<b>Other knitted or crocheted Fabrics</b>
	---	Of Synthetic Fibres:
60063200	--	Dyed

Knitted dyed Weft Polyester fabrics are covered under CTH: 6006. The importer has declared imported item as Polyester Fabric with PVC backing, however as per the said test report, goods of the quantity 10328 Kgs are found as Polyester Weft Dyed Knitted Fabric. Hence, the goods being Polyester Weft dyed Knitted Fabric are rightly covered under seventh double dash (--) entry i.e. Dyed and classifiable under the CTH: 60063200 in case of **Sample B**.

### **Determination of Valuation**

**16.1** I find that since there is misdeclaration in terms of Classification of goods as discussed above. Thus, there is prima facie doubt regarding the valuation of the goods, the goods appeared to be undervalued as declared by the importer. I find that the correct classification of the goods imported in case of fabric of Sample A, is 60053790 as mentioned above in the table no. 9 in the forgoing para no. 15.3. I further find that DGFT vide Notification No. 05/2025-26 dated 23.04.2025, amended import policy of certain HSN code including 60053790. Import policy of the goods imported under these HSN code has been changed from "Free" to "Restricted" if CIF value is less than 3.5 US Dollar/kg.

**16.2** I further find that the import of goods falling under CTH 60053790 is permitted as 'Free' only when the CIF value is USD 3.5 per kg or above. Thus, the prescribed Minimum Import Price (MIP) for CTH 60053790 is USD 3.5/kg. I further note that the importer has not declared the CIF value of the fabric of Sample A in the BEs in conformity with the MIP requirement. The declared CIF value is below USD 3.5/kg, thereby rendering the import of the said fabric **prohibited** under the above DGFT Notifications. Hence, the valuation of the said goods is required to be determined at the MIP level of USD 3.5/kg.

**16.3** I find that DGFT Notification No. 05/2025-26 dated 23.04.2025, has amended the import policy of several HS codes including HSN 60053790, prescribing that import of such goods is '**Prohibited**' if the **CIF value is below USD 3.5/kg**.

As per the test reports, the fabric of Sample A in Bills of Entry is found to be mis-declared in terms of description and classification. Consequently, the true transaction value could not be ascertained for the consignments under import. Thus, the value declared in the Bills of Entry does not qualify as *transaction value* under Section 14 of the Customs Act, 1962 read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and is liable to rejection under Rule 12 of CVR, 2007.

**16.4** I further find that the description and classification of Sample B is also found to be incorrect is found to be mis-declared. which also raised a doubt on the valuation of the goods. Thus, I find that the declared value cannot be accepted as transaction value and merits rejection in terms of Section 14 of Customs Act, 1962 read with Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Accordingly, the value is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of Customs Valuation.

**16.5** I find that following are the provision related to valuation of the goods under Customs Valuation (Determination of Value of Imported Goods) Rules, 2007

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

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

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

*Provided that -*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*(4) if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through rule 4 to 9.*

**4. Transaction value of identical goods. –**

*(1)(a) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued;*

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

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

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

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

*(3) In applying this rule, if more than one transaction value of identical goods is found, the lowest such value shall be used to determine the value of imported goods.*

**Rule 5 (Transaction value of similar goods).-**

*(1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:*

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

(2) The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, *mutatis mutandis*, also apply in respect of similar goods.

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

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

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -

(i) either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;

(ii) the usual costs of transport and insurance and associated costs incurred within India;

(iii) the customs duties and other taxes payable in India by reason of importation or sale of the goods.

(2) If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule (1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of ninety days after such importation.

(3) (a) If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.

(b) In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).

**Rule 8 of the CVR, 2007, stipulates that:-**

Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-

- (a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;*
- (b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;*
- (c) the cost or value of all other expenses under sub-rule (2) of rule 10.*

**Rule 9 of the CVR, 2007, stipulates that:-**

*(1) Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India;*

*Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.*

*(2) No value shall be determined under the provisions of" this rule on the basis of –*

- (i) the selling price in India of the goods produced in India;*
- (ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;*
- (iii) the price of the goods on the domestic market of the country of exportation;*
- (iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;*
- (v) the price of the goods for the export to a country other than India;*
- (vi) minimum customs values; or*
- (vii) arbitrary or fictitious values.*

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

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

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

**16.8** I find that Rule 4 (1) (a) of Rules 2007 stipulates determination of value of goods based on value of identical goods. Rule 5, providing for transaction value of similar goods. I observed that the imported goods were found with no specification, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value cannot be determined under Rules 4 and 5 of CVR, 2007. As per Rule 6 *ibid*, if the value cannot be determined under Rules 3, 4 and 5 same shall be determined under the provisions of Rule 7 or when same cannot be determined under that rule then under Rule 8. I also noticed that no exact sales values and data required for quantification of the deductions was available, hence, rule 7 cannot be invoked. Further, computed value, as provided under Rule 8, cannot be calculated in the absence of quantifiable data relating to cost of production, manufacture or processing of import goods. In such scenario, I find it appropriate to invoke the provisions of Rule 9 i.e. residual method for determining the value of the impugned import goods. Rule 9 provides for determination of value using reasonable means consistent with the principles and general provisions of these rules.

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

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

**16.10** I find that to determine the value of goods as per Rule 9 of the CV Rules the opinion of the empanelled Chartered Engineer was sought for determination of the value of the goods under import. The Chartered Engineer vide his Report No. – AYK: VAL: 02800:2025 dated 28.01.2026 has suggested the value of the imported goods as 32,192.80 USD, as detailed below Table-10 below;

**Table 10**

<b>S N O.</b>	<b>DISCRIPT ION OF GOODS</b>	<b>QTY (Kgs)</b>	<b>PER UNIT CIF VALUEASSES SED BY CE IN INR (APPROX.)</b>	<b>PER UNIT AVERG E CIF VALUE . ASSESS ED BY C.E. IN USD (APPRO X.)</b>	<b>TOTAL AVERAGE CIF VALUEASSES SED BY C.E. IN USD (APPROX.)</b>	<b>Custo m Conv. Ex. Rate</b>	<b>TOTAL VALUE - ASSESS ED BY CE IN INR (APPRO X. )</b>
1	Polyester Warp Dyed Knitted Fabric	5952	313.25	3.5	20832.00	89.50	1864464 .00
2	Polyester Weft Dyed Knitted Fabric	10328	98.45	1.10	11360.80	89.50	1016792
<b>TOTAL</b>				<b>16280</b>	<b>32192.80</b>		<b>288125 6</b>

**16.11** Further, in view of the discussion in the foregoing paras, and based on the test report, the applicable provisions of DGFT Notification No. 05/2025-26 dated 23.04.2025, the consequent change in classification, weight, and other relevant parameters, and on the basis of the Chartered Engineer's report, the total assessable value of the goods covered under Bill of Entry No. 5767477 dated 21.11.2025 has been re-determined, and accordingly, the assessable value of the goods imported by the importer is redetermined as Rs. 28,81,256/-, as detailed in Table-10 above.

From above, I find that the total assessable value of goods as assessed by the empanelled chartered engineer as **32,192.80 USD equivalent to Rs 28,81,256**. The importer as however declared the assessable value as **6240.00 USD equivalent to Rs 5,58,480.0/-**. Therefore, there is undervaluation in assessable value to an amount of **Rs 23,22,476.00/-** on account of importer.

**16.12** I further find that since the value of the goods has been re-determined in terms of the foregoing discussion, the duty liability on the imported goods is also required to be re-computed based on the applicable rates of duty. Accordingly, I find that with respect of goods classifiable under CTH 60063200, the applicable Basic Customs Duty (BCD) is 20% ad valorem or ₹115 per kg, whichever is higher, along with Social Welfare Surcharge (SWS) @ 10% of BCD and IGST @ 5%; since the duty calculated at ₹115 per kg is higher, the same has been adopted for duty computation as mentioned below in Table 11.

**Table 11**

Sr. No	Item Description	CTH As declared	CTH actual	Net Quantity (in Kgs)	CIF Value (in Rs.)	Basic Customs Duty (20% of the assessable value) (in Rs.)	Customs Duty (in Rs.) (Rs.115 per kg)
1	Polyester Weft Dyed Knitted Fabric	59031090	60063200	10328 kgs	<b>10,16,792</b>	2,03,358	<b>11,87,720</b>

In respect of goods classifiable under CTH 60053790, the applicable duties are BCD @ 20%, SWS @ 10% of BCD, and IGST @ 5%.

**16.13** I further find that the total Customs duty payable on the imported goods works out to ₹19,46,570/- as against ₹1,56,933/- self-assessed and paid by the importer under the said Bill of Entry, resulting in non/short levy of Customs duty amounting to ₹17,89,637/-. I find that this is a clear case of non-levy/short-levy of Customs duty on account of incorrect declaration made by the importer. The re-determined assessable value and the corresponding duty liability are computed as below in Table-12,

**Table-12**

Item Sr. No. in the BE	CTH	Description of Goods	Assessable Value as per CE Report (in Rs.)	BCD (in Rs.)	SWS (in Rs.)	IGST (in Rs.)	Total Duty (in Rs.)
1	60053790	Polyester Warp Dyed Knitted Fabric	1864464	372893	37289	113732	523914
2	60063200	Polyester Weft Dyed Knitted Fabric	1016792	1187720	118772	116164	1422656
<b>TOTAL</b>							<b>1946570</b>

**17.1** In view of the above, I conclude that the importer has declared the total assessable value of the consignment as **Rs. 5,58,480.0/- [6240.0 /- USD]** in the SEZ Z Type Bill of Entry No. 5767477 dated 21.11.2025. However, as per the valuation report submitted by the Chartered Engineer the value of the consignment is **Rs. 28,81,256/- (32192.80/- USD)**. Thus, the subjected consignment has been undervalued to the extent of **Rs. 23,22,476.00/-** on account of mis-declaration of the imported goods by the said importer.

**17.2** From the above discussion, I further conclude that, by way of mis-declaration and undervaluation of the items in terms of description and value, as discussed above, there has been a short-levy of Customs duty in respect of the non-prohibited goods. The duty re-determined on the revised valuation in respect of the non-prohibited goods comes to Rs. 14,22,656/-. As against this, the importer had declared and paid duty of Rs. 1,56,933/- in the Bill of Entry. Accordingly, the **differential duty works out to Rs. 12,65,723/-** (Rupees Twelve Lakh Sixty Five Thousand Seven Hundred Twenty Three only). The duty element pertaining to the prohibited goods, which are ordered for confiscation with an option for redemption for the limited purpose of re-export, is not being taken into account for the purpose of computing the differential duty demand..

**17.3** I further find that the importer through its director has stated in its statement dated 21.01.2026 that they have placed the order for the Polyester Fabric with PVC backing width 58 (+/-10 %) only, however the supplier sent the wrong items. I further find that he further stated that they have already communicated the wrong consignment loaded by the supplier to their agent i.e. M/s. Alliance Global Trading Limited, Shaoxing, China who has forwarded the same to the main supplier i.e. M/s. Fabecaan International Limited, Kwun Tong, China. M/s. Fabecaan International Limited vide their email letter dated 13.01.2026 has admitted that they have sent the wrong consignment and

requested for re-export of the same. The importer has produced the copy of the email conversation with the agent i.e. M/s. Alliance Global Trading Limited, Shaoxing, China and main supplier is M/s. Fabecaan International Limited, Kwun Tong, China. The Importer has requested that they may please be allowed to re-export the wrongly arrived goods back to its supplier. In view of the above discussion, I allow the re-export these goods.

**18. Violation of Section 46 and Section 17 - Misdeclaration, Misclassification & Undervaluation:-** In view of the above findings, I note that the importer has contravened the provisions of Section 46 and Section 17 of the Customs Act, 1962 by acts of omission and commission, inasmuch as they failed to make a true, correct and complete declaration in the Bills of Entry and failed to correctly assess their duty liability. I find that M/s. Sarojbiz International (OPC) Private Limited has wilfully misdeclared the description, quantity, classification, and value of the imported goods covered under the above-mentioned Bills of Entry with the intention to evade customs duty and to circumvent the import-policy restrictions prescribed under DGFT Notification No. 05/2025-26 dated 23.04.2025, as amended. Section 46(4A) stipulates that the importer, while presenting the Bill of Entry, must ensure the accuracy and completeness of the information furnished and the authenticity and validity of supporting documents. Further, Section 17(1) read with Section 17(2) of the Customs Act, 1962 and CBIC Circular No. 17/2011-Customs dated 08.04.2011 casts a heightened responsibility on the importer to correctly self-assess the classification, valuation, duty rate, country of origin and all other relevant particulars. By mis-declaring quantity, classification, and valuation, the importer has violated Section 46 and Section 17. Their deliberate acts of misdeclaration and undervaluation have resulted in a differential duty liability of Rs. **17,89,637/-** (Rupees Seventeen Lakh Eighty-Nine Thousand Six Hundred Thirty Seven Only). This differential duty is liable to be demanded and recoverable from the importer.

**19. Liability for Confiscation & Penalty:** - I find that the importer has declared the CIF value of the fabric of Sample A, (CTH 60053790) below USD 3.5/kg, whereas DGFT Notification No. 05/2025-26 dated 23.04.2025, mandates that import of such goods is *prohibited* when CIF value is below USD 3.5/kg. Thus, the import of the fabric of Sample A is in violation of the aforesaid DGFT Notifications. Accordingly, the fabric of Sample A is liable for confiscation under Section 111(d) (prohibited import), 111(l) (contravention of restrictions), and 111(m)

(misdeclaration of value/description) of the Customs Act, 1962. I further find that the importer mis declared the fabric of Sample B in the said BOE in respect of, classification, description, quantity, assessable value and duty. Thus, this act of importer has made the goods declared in said BOE liable for confiscation under Section 111(m) of the Customs Act, 1962, and the importer has rendered themselves liable to penalty under Section 112(a) for the same.

**20. Liability under Section 114AA – Use of False Documents:** - I further find that the importer did not present true and correct facts at the time of filing the Bills of Entry. The importer knowingly submitted false and incorrect documents such as the Bill of Lading, invoices and packing lists, containing incorrect and misleading particulars regarding the quantity, and valuation of the goods. By knowingly using such documents containing false material particulars, the importer has rendered themselves liable to penalty under Section 114AA of the Customs Act, 1962, which provides that any person who knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular in the transaction of any business under the Act shall be liable to penalty.

**21.1** As the impugned goods have been found liable to confiscation under Section 111(m) of the Customs Act, 1962, it becomes necessary to examine whether redemption fine under Section 125 of the said Act is imposable in lieu of confiscation. The statutory provision reads as under:

*“Section 125. Option to pay fine in lieu of confiscation.—(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods [or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit.”*

**21.2** A plain reading of the above provision reveals that the imposition of redemption fine serves as an alternative to confiscation, providing the owner of the goods an opportunity to redeem them on payment of a fine, wherever their

clearance for home consumption is not restricted under any policy or statutory provision.

**21.3** In the instant case, the goods of sample B i.e. Polyester Weft Dyed Knitted Fabric having assessable value ascertained to Rs. 10,16,792/-are dutiable but not prohibited under the Customs Tariff Act, 1975 or the Foreign Trade (Development & Regulation) Act, 1992. There exists no restriction or prohibition under any policy framework which would prevent their clearance for home consumption.

**21.4** Since the goods are non-prohibited, and the importer has opted for re-export, the mandatory provision under Section 125(1) comes into operation. Accordingly, the importer is entitled to the option of redemption of the confiscated goods for the purpose of re-export only on payment of an appropriate fine in lieu of confiscation.

**21.5** Further, as the goods are dutiable and not prohibited, an option to redeem the goods on payment of a redemption fine under Section 125(1) of the Customs Act, 1962, in addition to the differential duty and applicable charges, is extended to the importer.

**21.6** Further, the goods of Sample A i.e. Polyester Warp Dyed Knitted Fabric having assessable value ascertained to Rs. 18,64,464/- are prohibited as declared as imported at less than the minimum import price as mandated under DGFT Notification No. 05/2025-26 dated 23.04.2025, rendering the said goods as 'prohibited' for import into India.

**21.7** Since the above-mentioned goods are prohibited, and the importer has opted for permission to re-export, the mandatory provision under Section 125(1) comes into operation. Accordingly, the importer is entitled to the option of redemption of the confiscated goods for the purpose of re-export on payment of an appropriate fine in lieu of confiscation.

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

**ORDER**

- i. I order to reject the self-assessment made by the importer for Z type Bill of Entry No. 5767477 dated 21.11.2025 under section 17(1) of the

Customs Act,1962. Further, I order to reassess the said Z-Type Bill of Entry No. 5767477 dated 21.11.2025 under the provision of section 17(4) of the Customs Act, 1962 as per Para 15.3, 16.11, 16.13 and Table-9,10 & 12.

- ii. I order for confiscation of the prohibited goods imported under the Z Type Bill of Entry No. 5767477 dated 21.11.2025, having total re-determined assessable value of Rs. 18,64,464/- under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to re-deem the same for re-export purpose only on payment of Redemption Fine of Rs. 1,80,000/- (Rs One Lakh Eighty Thousand Only) in lieu of confiscation.
- iii. I order for confiscation of non-prohibited goods imported under the Z Type Bill of Entry No. 5767477 dated 21.11.2025, having total re-determined assessable value of Rs. 10,16,792/- under Section 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to re-deem the same for re-export purpose only on payment of Redemption Fine of Rs. 1,00,000/- (Rs One Lakh Only) in lieu of confiscation
- iv. I impose a penalty of INR 1,00,000 (One Lakh Only) on the importer under Section 112(a)(i) of the Customs Act, 1962 for goods imported under the said BE;
- v. I impose a penalty of INR 1,25,000 (One Lakh Twenty Thousand Only) on the importer under Section 112(a)(ii) of the Customs Act, 1962 for goods imported under the said BE;
- vi. I impose a penalty of INR 50,000 (Fifty Thousand Only) on the importer under Section 114AA of the Customs Act, 1962.

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

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

BY Speed Post A.D / E-mail

To, (The Noticee):-

**M/s. Sarojbiz International (OPC) Private Limited, (IEC: ABHCS3117M)**  
**2nd Floor, Office No. 3/8,**  
**Asaf Ali Road, New Delhi - 110002**

**Copy to:**

1. The Deputy/Assistant Commissioner (SIIB), Customs House, Mundra.
2. The Dy./Asstt. Commissioner (Review Cell), Customs House, Mundra.
3. The Dy./Asstt. Commissioner (RRA/TRC), Customs House, Mundra.