	कार्यालय: प्रधान आयुक्त सीमा शुल्क, मुन्द्रा **सीमा शुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात-370421** **OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS,** **CUSTOMS HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421** **Email ID: group3-mundra@gov.in**	

A.	File NO.	:	**CUS/APR/5032/2026-Gr 3-O/o Pr Commr-Cus-Mundra**
B.	Order-in-Original No.	:	**MCH/ADC/ZDC/404/2026-27**
C.	Passed by	:	**Dipak Zala,** **Additional Commissioner of Customs,** **Customs House, AP & SEZ, Mundra**
D.	Date of order and Date of issue	:	**16.10.2026** **16.10.2026**
E.	Bill of Entry No.	:	**Bill of Entry No. 2911235 (Type-Z) dated 03.08.2026**
F.	SCN F. No. & Date	:	**Waived as per request by Importer**
G.	Noticee(s)/Party/ Importer	:	**M/s. DIKSIK IMPER (IEC: BNZPG3853J), Plot No. 7D/8, Flat No. A-04, Vanash Vichumbe Road, Navi Mumbai, Panvel, Maharashtra – 410206**

यह अपील आदेश संबन्धित को नि:शुल्कप्रदान किया जाता है।

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

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

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

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

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

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

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

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

i. उक्त अपील की एक प्रति और

   A copy of the appeal, and

i. इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम -1870 केमदसं॰ -6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

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

1. अपीलज्ञापनकेसाथड्यूटि/ ब्याज/ दण्ड/ जुर्मानाआदिकेभुगतानकाप्रमाणसंलग्नकियाजानाचाहिये।

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

1. 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.

1. 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.

1. Brief Facts of the Case:

M/s. Diksik Imper (IEC No. BNZPG3853J), Plot No. 7D/8, Flat No. A-04, Vanash Vichumbe Road, Navi Mumbai, Panvel – 410206 (hereinafter referred to as "the importer"), filed **Z-Type Bill of Entry No. 2911235 dated 03.08.2026** (self-filed, Customs Broker: "Filed by IEC himself") through the SEZ Unit M/s. Shoolin Trade Link LLP, APSEZ, Mundra, for import of goods declared as **"Polyester Fabric with PVC Laminated Width 58" +/- 10%"** under **CTH 59031090**, in a quantity of **42,653 SQM**, packed in **777 packages (rolls)**, with declared gross weight of 22,000 Kgs, stuffed in Container No. **TEMU8977330**. The goods were supplied by M/s. Panash International Limited, RM.1502, Easey Comm Bldg., 253-261 Hennessy Road, Wanchai, Hong Kong (country of origin declared as China), against Invoice No. DI/01/26-27 dated 02.07.2026 for an invoice value of USD 5,971.42. The assessable value recorded in the Bill of Entry is Rs. 7,46,256.89/- (at the exchange rate of 1 USD = Rs. 97.20) and the total duty shown as payable is Rs. 2,09,698/-. The particulars declared in the Bill of Entry are as under:

Table-A (Declared particulars)

Sr. No.	Declared CTH	Declared Description	Qty	UQC	Declared Assessable Value (Rs.)	Declared Duty (Rs.)
1	59031090	Polyester Fabric with PVC Laminated Width 58" +/- 10%	42,653	SQM	7,46,256.89	2,09,698

The consignment was put on hold by the Special Intelligence and Investigation Branch (SIIB), Custom House, Mundra for detailed examination, with prior intimation to the Development Commissioner, APSEZ, Mundra. The goods were examined by the officers of SIIB under **Panchnama dated 21.08.2026** drawn at the premises of M/s. Shoolin Trade Link LLP (SEZ Unit), APSEZ, Mundra, in the presence of two independent panchas and Shri Pranjal

Singh, Sr. Import Executive, M/s. Shoolin Trade Link LLP, who attended as the authorised representative of the SEZ Unit as well as of the importer (vide the importer's authorisation letter dated 19.08.2026). The Bill of Entry, Bill of Lading, Commercial Invoice, Packing List and weighment slip were produced by him during the examination proceedings.

2. Action Taken – Examination Findings:

2.1 At the time of examination, it was informed that the seal of Container No. TEMU8977330 had already been cut on 04.08.2026 and the cargo had been de-stuffed and was lying on the floor of Warehouse-2 of the SEZ premises. The weighment slip generated at the SEZ Unit weighbridge indicated a gross weight of 25,360 Kgs; after deducting the container tare weight of 3,700 Kgs, the net weight of the cargo worked out to 21,660 Kgs, as against 22,000 Kgs declared in the Bill of Entry. The goods were examined systematically and were found in the form of fabric rolls of different colours, similar in general nature and appearance. On physical count carried out by the officer and the representative of the SEZ Unit, a total of **1,115 rolls** were found as against 777 rolls declared in the Bill of Entry. On random weighment, each roll was found to weigh approximately 19.45 Kgs, working out to an approximate total weight of 21,687 Kgs. The details of the goods found during examination are as under:

Table-B (Goods found on examination)

Sr. No.	Goods	Rolls declared in BE	Rolls found	Excess Rolls	Wt. per Roll (Kgs, approx.)	Total Wt. found (Kgs, approx.)	Net Wt. as per Weighment Slip (Kgs)
1	Fabric Rolls	777	1,115	338	19.45	21,687	21,660

2.2 Thus, as against the declared 777 rolls, physical examination revealed **1,115 rolls**, i.e. an excess of **338 rolls**. While the weight of the goods (21,660 Kgs as per the weighment slip and approximately 21,687 Kgs on random weighment) was broadly in line with the declared gross weight of 22,000 Kgs, the number of rolls, and consequently the quantity of fabric in square metres, was found to be substantially in excess of that declared in the Bill of Entry, as discussed hereinafter.

2.3 Since the exact nature and composition of the fabric could not be ascertained by visual examination, and the rolls, though of different colours,

appeared similar in general nature, a representative sample was drawn in triplicate from a maroon coloured roll on 21.08.2026 in the presence of the panchas and the authorised representative, and was forwarded to the Customs House Laboratory, Kandla vide Test Memo No. 173/2026-27 dated 24.08.2026 for ascertaining, inter alia, the nature, description, GSM, fibre composition, whether coated/impregnated/covered/laminated, type of weave, presence of AZO dyes and the appropriate CTH.

3. Investigations Conducted:

3.1 Laboratory Examination

The Customs House Laboratory, Kandla vide **Lab Report No. SIIB-3267 dated 28.09.2026** (sample received on 27.08.2026), in respect of Test Memo No. 173/2026-27 dated 24.08.2026, reported as under:

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

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

GSM (as such) = 132.99

Width (selvedge to selvedge) = 148 cm

% Composition: -

Polyester = 93.8% by wt.

Laminating material = balance

Notes/Comments: It is other than PVC laminated. The sample is laminated fabric, hence azo dye could not be ascertained.

3.2 Description and Classification

The goods were declared as "Polyester Fabric with PVC Laminated Width 58" +/- 10%" under CTH 59031090, i.e. textile fabric laminated with polyvinyl chloride. However, the CRCL has reported the goods to be dyed woven fabric of polyester filament yarn (textured) **laminated with polymeric material based on polyurethane (PU)**, GSM 132.99, and has specifically remarked that the

sample is **other than PVC laminated**. The relevant extract of Heading 5903 of the First Schedule to the Customs Tariff Act, 1975 reads as under:

5903 Textile Fabrics impregnated, coated, covered or laminated with plastic, other than those of heading 5902

590310 - With polyvinyl chloride:
5903 10 10 --- Imitation leather fabrics of cotton
5903 10 90 --- Other

590320 - With polyurethane:
5903 20 10 --- Imitation leather fabrics, of cotton
5903 20 90 --- Other

5903 90 - Other:
5903 90 10 --- Of cotton
5903 90 20 --- Polyethylene laminated jute fabrics
5903 90 90 --- Other

Since the impugned fabric is of polyester (and not of cotton) and is laminated with polyurethane, it appears to be correctly classifiable under CTH 59032090 instead of CTH 59031090 declared by the importer. The declared description "Polyester Fabric with PVC Laminated" is, therefore, incorrect. It is, however, observed that both CTH 59031090 and CTH 59032090 attract the same rates of BCD (20%), SWS (10% of BCD) and IGST (5%), and the re-classification does not, by itself, alter the rate of duty.

Further, Notification No. 14/2022-Cus (ADD) dated 20.05.2022 provides for levy of Anti-Dumping Duty on specified polyurethane (PU) coated textile fabrics. Since the Test Report specifically describes the impugned goods as woven polyester fabric laminated on one side with PU (i.e. a lamination process and not coating), the Investigation Report has observed that the goods do not fall within the scope of the said Notification and no Anti-Dumping Duty is leviable thereon, notwithstanding their classification under CTH 59032090.

3.3 Re-determination of Quantity

In view of the GSM established by the CRCL, the quantity of the imported fabric in square metres has been re-computed on the basis of the actual weight of the goods found on examination, using the formula Quantity (SQM) = Weight (Kgs) × 1000 / GSM. Accordingly, the quantity works out to 21,687 × 1000 / 132.99 = **1,63,072.41 SQM** (approx.) in 1,115 rolls, as against 42,653 SQM in

777 rolls declared in the Bill of Entry, i.e. an excess of approximately 1,20,419 SQM, which is about 3.8 times the declared quantity. The Chartered Engineer, in his valuation report, has adopted the same quantity of 1,63,072.41 SQM for the purpose of valuation.

3.4 Rejection of Declared Value and Re-determination of Assessable Value

Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (hereinafter referred to as "the CVR, 2007") provides the method of valuation. Rule 3(1) of the CVR, 2007 provides that, subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with the provisions of Rule 10. Rule 3(4) ibid states that if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rules 4 to 9 of the CVR, 2007. Since the goods have been found in excess of the declared number of packages and mis-declared in terms of quantity, description and classification, there is a reasonable doubt regarding the truth and accuracy of the declared value, which pertains only to the declared description and the declared quantity of 42,653 SQM, and hence the same is liable to be rejected in terms of Rule 12 of the CVR, 2007.

The value of the impugned goods could not be determined under Rules 4 and 5 ibid, as contemporaneous imports of identical or similar goods matching the description and the quantity actually found on examination were not available. Rule 7 (deductive value) could not be applied for want of data on sale of identical or similar imported goods in India, and Rule 8 (computed value) could not be applied in the absence of data on cost of production. Therefore, recourse is to be taken to the residual method under Rule 9 of the CVR, 2007, which reads as under:

> *"Rule 9: Residual method – (1) Subject to the provisions of Rule 3, where the value of the 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:"*

The impugned goods were inspected on 03.10.2026 at the premises of M/s. Shoolin Trade Link LLP, SEZ Unit, Mundra by Shri Ajayrajsinh B. Jhala, Chartered Engineer & Government Approved Valuer empanelled with Mundra Customs, in the presence of SIIB officers, who submitted his Chartered Engineer Opinion Certificate vide **Ref. No. ABJ:INSP:CE:MUN:SIIB:SH:26-27:76 dated 05.10.2026**. The Chartered Engineer has stated that the valuation was based, inter alia, on physical and visual examination of the cargo, the Customs examination report and test report, market survey of similar/identical goods in bulk quantity, documents submitted by the party, manufacturing and production cost and previously assessed Customs data. The valuation suggested by the Chartered Engineer is as under:

Table-C (Valuation by Chartered Engineer)

Sr. No.	Description (as per test report)	No. of Rolls	Total Weight (Kgs)	Quantity (SQM)	Unit CIF Value (USD/SQM)	Total CIF Value (USD)	CIF Value (Rs.) @ 1 USD = Rs. 97.20
1	Polyester woven fabric, PU laminated; GSM 132.99; width 148 cm	1,115	21,687	1,63,072.41	0.18	29,353.03	28,53,115
	Total	1,115	21,687	1,63,072.41		29,353.03	28,53,115

Thus, the Chartered Engineer has assessed the total CIF value of the imported goods at USD 29,353.03, equivalent to Rs. 28,53,115/- at the exchange rate of 1 USD = Rs. 97.20. It is observed that the unit value of USD 0.18 per SQM adopted by the Chartered Engineer is the same as the unit value already adopted in the Bill of Entry (Rs. 7,46,256.89/- for 42,653 SQM), and the enhancement in value is attributable to the excess quantity found. Accordingly, the assessable value of Rs. 7,46,256.89/- recorded in Z-Type Bill of Entry No. 2911235 dated 03.08.2026 appears liable to be rejected in terms of Rule 12 of the CVR, 2007 and re-determined at Rs. 28,53,115/- under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962.

3.5 Re-determination of Customs Duty

The Bill of Entry records the assessable value of Rs. 7,46,256.89/- and self-assessed Customs duty of Rs. 2,09,698/-. On the basis of the re-determined assessable value of Rs. 28,53,115/- and the applicable rates, i.e. BCD @ 20%, SWS @ 10% of BCD and IGST @ 5% (the rates being the same under CTH 59031090 and CTH 59032090), the duty works out as under:

Particulars	Amount (Rs.)
Re-determined Assessable Value	28,53,115
BCD @ 20%	5,70,623
SWS @ 10% of BCD	57,062
IGST @ 5% [on (AV + BCD + SWS) = Rs. 34,80,800]	1,74,040
Total Re-determined Duty	8,01,725
Duty self-assessed in the Bill of Entry	2,09,698
Differential Duty	5,92,027

Thus, there appears to be short levy of Customs duty amounting to Rs. 5,92,027/- (Rs.8,01,725/- minus Rs.2,09,698/-).

4. Outcome of the Investigation:

The investigation conducted by SIIB, Custom House, Mundra in respect of the import consignment of M/s. Diksik Imper under Z-Type Bill of Entry No. 2911235 dated 03.08.2026 covering Container No. TEMU8977330 has revealed the following:

(i) During examination, a total of 1,115 rolls of fabric weighing approximately 19.45 Kgs each (total approx. 21,687 Kgs) were found as against 777 rolls declared in the Bill of Entry, i.e. an excess of 338 rolls.

(ii) The importer had declared the total quantity as 42,653 SQM, whereas the quantity re-determined on the basis of the actual weight and the GSM reported by the CRCL works out to approximately 1,63,072.41 SQM.

(iii) As per the CRCL test report, the imported fabric is dyed woven fabric of polyester filament yarn (textured) laminated with polymeric material based on polyurethane (PU), GSM 132.99, which merits classification under CTH 59032090, as against "Polyester Fabric with PVC Laminated" under CTH 59031090 declared in the Bill of Entry. The rates of duty are the same under both entries, and Anti-Dumping Duty under Notification

No. 14/2022-Cus (ADD) dated 20.05.2022 is not attracted, the goods being PU-laminated and not PU-coated.

(iv) The value of the goods as ascertained by the Chartered Engineer is Rs. 28,53,115/- as against Rs. 7,46,256.89/- recorded in the Bill of Entry.

(v) The impugned goods are freely importable and no import policy restriction or registration requirement (such as BIS/QCO) applicable to the goods was found to have been contravened.

5. RELEVANT PROVISIONS OF SEZ ACT, 2005:

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

……..

(o) "**import"** means—

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

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

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

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

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

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

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

The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the investigation, inspection, search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:

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

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

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

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

2. The Central Government, by the Notification 2665(E) dated 05.08.2016 has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111,

113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.

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

6. Relevant provisions of the Customs Act, 1962 related to filling Bill of Entry and confiscation and seizure of the imported goods are reproduced herein under:

Customs Act, 1962, as amended:

6.1 **As per Section 2 (23)**, ***import***, *with its grammatical variations and cognate expressions, means bringing into India from a place outside India;*

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

6.3 **As per Section 2 (26),** ***importer***, *in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes, any owner, beneficial owner or any person holding himself out to be the importer*

6.4 **Section 17** provides the provisions of the Assessment of duty as under:

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.

(2) The proper officer may verify the entries made under section 46 or section 50 and the self-assessment of goods referred to in sub-section (1)] and for this purpose, examine or test any imported goods or export goods or such part thereof as may be necessary.

Provided that the selection of cases for verification shall primarily be on the basis of risk evaluation through appropriate selection criteria.]

(3) For the purposes of verification under sub-section (2), the proper officer may require the importer, exporter or any other person to produce any document or information, whereby the duty leviable on the imported goods or export goods, as the case may be, can be ascertained and thereupon, the importer, exporter or such other person shall produce such document or furnish such information.]

(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.

(5) Where any re-assessment done under sub-section (4) is contrary to the self-assessment done by the importer or exporter and in cases other than those where the importer or exporter, as the case may be, confirms his acceptance of the said re-assessment in writing, the proper officer shall pass a speaking order on the re-assessment, within fifteen days from the date of re-assessment of the bill of entry or the shipping bill, as the case may be.

6.5 Further, procedure of Entry of goods on importation are governed by the **Section 46** of the Act, *ibid* as under

(1) The importer of any goods, other than goods intended for transit or transhipment, 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:

Provided further that if the importer makes and subscribes to a declaration before the proper officer, to the effect that he is unable for want of full information to furnish all the particulars of the goods required under this sub-section, the proper officer may, pending the production of such information, permit him, previous to the entry thereof (a) to examine the goods in the presence of an officer of customs, or (b) to deposit the goods in a public warehouse appointed under section 57 without warehousing the same.

(2) Save as otherwise permitted by the proper officer, a bill of entry shall include all the goods mentioned in the bill of lading or other receipt given by the carrier to the consignor.

(3) The importer shall present the bill of entry under sub-section (1) before the end of the day (including holidays) preceding the day on which the aircraft or vessel or vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for home consumption or warehousing:

Provided that the Board may, in such cases as it may deem fit, prescribe different time limits for presentation of the bill of entry, which shall not be later than the end of the day of such arrival:

Provided further that] a bill of entry may be presented 9[at any time not exceeding thirty days prior to] the expected arrival of the aircraft or vessel or vehicle by which the goods have been shipped for importation into India:

Provided also that where the bill of entry is not presented within the time so specified and the proper officer is satisfied that there was no sufficient cause for such delay, the importer shall pay such charges for late presentation of the bill of entry 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 such other 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.

(5) If the proper officer is satisfied that the interests of revenue are not prejudicially affected and that there was no fraudulent intention, he may permit substitution of a bill of entry for home consumption for a bill of entry for warehousing or vice versa.

6.6 Section 111 of the Act, prescribes the Confiscation of improperly imported goods, etc. as under

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

(l) any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;

(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under Section 77 in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54.

6.7 Section 112 of the Act provides the penal provisions for improper importation of goods, etc. which read as under**:**

Any person, -

(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section111,

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 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 not exceeding the difference between the declared value and the value thereof or five thousand rupees], whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.

6.8 SECTION 124 prescribes the mandatory issuance of show cause notice before confiscation of goods, which read as under**:**

No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person –

(a) is given a notice in writing with the prior approval of the officer of Customs not below the rank of an Assistant Commissioner of Customs, informing him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;

(b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and

(c) is given a reasonable opportunity of being heard in the matter:

***Provided** that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned be oral.*

***Provided** further that notwithstanding issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.*

6.9 SECTION 125 provides the Option to pay fine in lieu of confiscation as under:

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

Provided *that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, 3 [no such fine shall be imposed]:*

Provided *further that, without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.*

(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.]

(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.

7. Confiscation of Goods and Penal Action:

The imported goods have been found mis-declared in terms of quantity, description, classification and value. The importer has thereby contravened the provisions of Sections 17 and 46 of the Customs Act, 1962. These acts of omission and commission on the part of the importer appear to have rendered the goods valued at Rs. 28,53,115/- liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962, and the importer liable for penal action under Sections 112(a)(ii) and 114AA of the Customs Act, 1962.

8. WAIVER OF NOTICE AND PERSONAL HEARING:

The importer, vide email dated 30.09.2026 accepted the CRCL test report and stated that they do not want any Show Cause Notice (SCN), Personal Hearing (PH) or summons in the matter, requested that the matter be decided on merits, and undertook to abide by the decision taken. The importer further

stated that they are ready to pay the duty, interest, fine and penalty, if any, and will not file any application for refund claim or appeal, and requested a lenient view. Further, vide email dated 05.10.2026, the importer accepted the value of the goods as re-determined by the Chartered Engineer.

9. In view of the above, **Investigation Report No. 189/2026-27** dated 07.10.2026 bearing F. No. CUS/SIIB/INF/208/2026-SIIB-O/o Pr Commr-Cus-Mundra has been issued by the Joint Commissioner (SIIB), Custom House, Mundra, with the approval of the Additional Commissioner (SIIB), Custom House, Mundra, proposing adjudication of the following matter:

(i) The declared classification, quantity and value of the goods in Z-Type Bill of Entry No. 2911235 dated 03.08.2026 are liable to be rejected due to mis-declaration; the classification is to be re-determined as CTH 59032090, the quantity as 1,115 rolls (approx. 1,63,072.41 SQM) in terms of the examination findings and the CRCL report, and the value as per the Chartered Engineer's valuation;

(ii) The assessable value of Rs. 7,46,256.89/- recorded for the goods under Z-Bill of Entry No. 2911235 dated 03.08.2026 is liable to be rejected and re-determined at Rs. 28,53,115/-, by applying the unit value of USD 0.18 per SQM already adopted in the Bill of Entry to the actual quantity, as also arrived at by the Chartered Engineer in his valuation report (Ref. No. ABJ:INSP:CE:MUN:SIIB:SH:26-27:76 dated 05.10.2026);

(iii) The Bill of Entry is liable to be re-assessed under Section 17(4) of the Customs Act, 1962, on the basis of the re-determined classification, quantity, assessable value and duty, as detailed above.

(iv) The goods valued at Rs. 28,53,115/-, found mis-declared in terms of description, classification, quantity and value, are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962, as discussed in foregoing paras;

(v) Total differential customs duty amounting to Rs. 5,92,027/-, as detailed at para 3.5 above, is required to be recovered from the importer;

(vi) Penalty under Section 112 (a) (ii) of Customs Act, 1962 is imposable upon the importer.

(vii) Penalty under Section 114AA of Customs Act, 1962 is imposable upon the importer.

SCN and Personal Hearing:

10. The importer, vide letter dated 08.10.2026, requested waiver of the Show Cause Notice, Personal Hearing and summons in the matter and requested that the matter be adjudicated on merits. The importer has accepted the CRCL test report and the value of the goods as re-determined by the Chartered Engineer.

Discussion and Findings:

11. I have carefully gone through the facts of the case, the Investigation Report, the Bill of Entry, the Panchnama dated 21.08.2026, the CRCL test report, the Chartered Engineer's report and the submissions of the importer. I find that the importer, M/s. Diksik Imper, vide emails dated 30.09.2026, 05.10.2026 and letter dated 08.10.2026, has stated that they do not require a Show Cause Notice, Personal Hearing or summons, has accepted the test report and the valuation by the Chartered Engineer, has undertaken to abide by the decision taken in the matter and has expressed willingness to pay the duty, interest, fine and penalty, if any. In view of the importer's explicit waiver, and since the notice and representation under Section 124 of the Customs Act, 1962 may, at the request of the person concerned, be oral, I find that the principles of natural justice stand complied with. Considering the importer's waiver and the availability of all material evidence on record, the case is ripe for adjudication on merits.

12. Accordingly, I proceed to adjudicate the matter on merits. The following issues arise for determination:

(i) Whether the declared description, classification and quantity of the goods imported under Bill of Entry No. 2911235 (Z-Type) dated 03.08.2026 are liable to be rejected and re-determined, or otherwise;

(ii) Whether the assessable value of Rs. 7,46,256.89/- is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined at Rs. 28,53,115/-, or otherwise;

(iii) Whether the self-assessment is liable to be rejected and the Bill of Entry re-assessed under Section 17(4) of the Customs Act, 1962, or otherwise;

(iv) Whether the goods having re-determined value of Rs. 28,53,115/- are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962; and

(v) Whether the importer is liable for penalty under Sections 112(a)(ii) and 114AA of the Customs Act, 1962, or otherwise.

DISCUSSION AND FINDINGS REGARDING DESCRIPTION, CLASSIFICATION AND QUANTITY OF THE GOODS:

13. I find that M/s. Diksik Imper filed Z-Type Bill of Entry No. 2911235 dated 03.08.2026 declaring the goods as "Polyester Fabric with PVC Laminated Width 58" +/- 10%" under CTH 59031090, in a quantity of 42,653 SQM (777 rolls), with assessable value of Rs. 7,46,256.89/- and self-assessed duty of Rs. 2,09,698/-. The goods were examined by SIIB officers under Panchnama dated 21.08.2026 at the SEZ Unit of M/s. Shoolin Trade Link LLP, APSEZ, Mundra in the presence of independent panchas and the authorised representative of the SEZ Unit and the importer, wherein 1,115 rolls of fabric weighing approximately 19.45 Kgs each, totalling approximately 21,687 Kgs, were found, as detailed in Table-B above.

13.1 I find that a representative sample was drawn and sent to CRCL, Kandla vide Test Memo No. 173/2026-27 dated 24.08.2026. As per Lab Report No. SIIB-3267 dated 28.09.2026 (reproduced at para 3.1 above), the sample is a dyed (maroon coloured) woven fabric whose base fabric is of polyester filament yarn (textured), having a laminated film of polymeric material based on polyurethane (PU) on one side, with polyester content of 93.8% by weight, GSM 132.99 and selvedge-to-selvedge width of 148 cm. The laboratory has specifically remarked that the fabric is other than PVC laminated.

13.2 I find that sub-heading 5903 10 covers textile fabrics impregnated, coated, covered or laminated with poly(vinyl chloride), whereas sub-heading

5903 20 covers such fabrics laminated with polyurethane. Since the impugned goods are polyester (non-cotton) woven fabrics laminated with polyurethane, I find that they are correctly classifiable under CTH 59032090 ("Textile fabrics … laminated with plastics – With polyurethane – Other") and not under CTH 59031090 as declared. I therefore hold that the goods were mis-declared in respect of description and classification, and the correct description of the goods is "Dyed woven fabric of polyester filament yarn (textured), laminated on one side with polyurethane (PU), GSM 132.99, width 148 cm" classifiable under CTH 59032090. I further find that the rates of BCD, SWS and IGST are the same under CTH 59031090 and CTH 59032090, and I agree with the observation in the Investigation Report that Notification No. 14/2022-Cus (ADD) dated 20.05.2022, which covers PU-coated textile fabrics, is not attracted to the impugned goods, which are PU-laminated fabrics.

13.3 Regarding quantity, I find that the importer declared 42,653 SQM in 777 rolls, whereas 1,115 rolls weighing approximately 21,687 Kgs were found on physical examination. Applying the GSM of 132.99 reported by the CRCL, the actual quantity works out to approximately 1,63,072.41 SQM, which has also been adopted by the Chartered Engineer. I further note that a declared quantity of 42,653 SQM against a declared weight of 22,000 Kgs would imply a fabric of the order of 500 GSM, which is wholly inconsistent with the GSM of 132.99 found by the laboratory; the declared quantity was thus clearly understated. The quantity actually imported is about 3.8 times the declared quantity. I hold that the importer has mis-declared the quantity of the goods, and the quantity is required to be re-determined as 1,115 rolls (approximately 1,63,072.41 SQM).

13.4 I find that the goods imported under the present shipment were mis-declared in respect of description, classification, quantity and value. The importer has not disputed the investigation findings and has accepted both the test report and the Chartered Engineer's valuation. The above findings clearly establish that the importer failed to make a true and correct declaration of the imported goods as mandated under Section 46(4) and 46(4A) of the Customs Act, 1962.

DISCUSSION AND FINDINGS REGARDING VALUATION OF THE GOODS:

14. From the foregoing, it is evident that the assessable value of Rs. 7,46,256.89/- recorded in the Bill of Entry related only to the declared quantity of 42,653 SQM of "PVC laminated" fabric (at USD 0.18 per SQM, the invoice value declared being USD 5,971.42), whereas the consignment actually contained approximately 1,63,072.41 SQM of PU laminated fabric in 1,115 rolls. The declared value therefore does not represent the price actually paid or payable for the goods actually imported, and there is a reasonable doubt regarding the truth and accuracy of the declared value. The importer, during the course of investigation, accepted the CRCL test report and the valuation suggested by the Chartered Engineer. Thus, the declared value is not acceptable as the transaction value and merits rejection in terms of Section 14 of the Customs Act, 1962 read with Rule 12 of the CVR, 2007. The value is required to be re-determined by sequentially applying Rules 4 to 9 of the CVR, 2007, the relevant provisions of which are reproduced below:

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 Rule7 of CVR, 2007.

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

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

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

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

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

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

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

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

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

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

(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;

(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;

(c) the cost or value of all other expenses under sub-rule (2) of rule 10.

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

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

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

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

(i) the selling price in India of the goods produced in India;

(ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;

(iii) the price of the goods on the domestic market of the country of exportation;

(iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;

(v) the price of the goods for the export to a country other than India;

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

14.1 "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". 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 are not related and price is the sole consideration for the sale, subject to such other conditions as may be specified in the rules made in this behalf.

14.2 I find that Rule 4(1)(a) of the CVR, 2007 provides for determination of value on the basis of identical goods and Rule 5 on the basis of similar goods. Since the imported goods were found to be of a description, specification and quantity different from that declared, it was not possible to compare them with contemporaneous imports of identical/similar goods of the same description, specification, quantity and country of origin; hence, the value cannot be determined under Rules 4 and 5. As per Rule 6 ibid, the value is then to be determined under Rule 7 or, failing that, under Rule 8. No sale data or data for quantification of deductions was available for Rule 7, and computed value under Rule 8 cannot be calculated in the absence of data relating to cost of production of the imported goods. In such a scenario, I find it appropriate to invoke Rule 9, i.e. the residual method, which provides for determination of value using reasonable means consistent with the principles and general provisions of the Rules.

14.3 For the purpose of valuation, the empanelled Chartered Engineer, Shri Ajayrajsinh B. Jhala, Chartered Engineer & Government Approved Valuer, after inspection of the goods on 03.10.2026, vide his report Ref. No. ABJ:INSP:CE:MUN:SIIB:SH:26-27:76 dated 05.10.2026, has suggested the valuation of the goods as detailed below:

Sr. No.	Description (as per test report)	No. of Rolls	Total Weight (Kgs)	Quantity (SQM)	Unit CIF Value (USD/SQM)	Total CIF Value (USD)	CIF Value (Rs.) @ 1 USD = Rs. 97.20
1	Polyester woven fabric, PU laminated; GSM 132.99; width 148 cm	1,115	21,687	1,63,072.41	0.18	29,353.03	28,53,115
	Total	1,115	21,687	1,63,072.41		29,353.03	28,53,115

14.4 I find that the Chartered Engineer, vide report Ref. No. ABJ:INSP:CE:MUN:SIIB:SH:26-27:76 dated 05.10.2026, has assessed the CIF value of the goods actually found at USD 29,353.03 (Rs. 28,53,115/-) for 1,63,072.41 SQM. This works out to a unit value of USD 0.18 per SQM, which is the same as the unit value at which the Bill of Entry was originally assessed (Rs. 7,46,256.89/- for 42,653 SQM). The enhancement in the assessable value is therefore entirely due to the quantity actually found, which is about 3.8 times the declared quantity, and not to any change in the unit price.

14.4.1 I observe that the Investigation Report, in Table-V and paras 4.6, 7.3, 9(iii) and 9(vii), describes the re-determined value as being arrived at on the "Rule 4 valuation methodology" or on the "Rule 4 unit value already adopted in the Bill of Entry". However, the same Investigation Report, at para 4.3, records that the value of the impugned goods could not be determined under Rules 4 and 5 of the CVR, 2007, since contemporaneous imports of identical or similar goods matching the quantity actually found were not available. At paras 4.4 and 4.5, it further records that the value is required to be determined under Rule 9 on the basis of the Chartered Engineer's valuation.

14.4.2 Rule 4(1)(a) of the CVR, 2007 requires the value to 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. Rule 4(1)(b) requires such goods to be at the same commercial level and in substantially the same quantity. The unit value of USD 0.18 per SQM referred to in the Investigation Report is the unit value at which the impugned Bill of Entry itself was assessed. It is not the transaction value of a separate contemporaneous import of identical goods in a comparable quantity. No such contemporaneous import has been brought on record. The reference to "Rule 4" in the Investigation Report is therefore to be understood as referring to the source of the unit value, i.e. the earlier assessment of the Bill of Entry. It is not a determination of value under Rule 4 of the CVR, 2007.

14.4.3 Since the value cannot be determined under Rule 3(1) for the reasons recorded in para 14 above, and cannot be determined under Rules 4 and 5 (as also recorded at para 4.3 of the Investigation Report) or under Rules 7 and 8 for want of data, the value is required to be determined under Rule 9 of the CVR, 2007. Rule 9 allows the value to be determined using reasonable means consistent with the principles and general provisions of the Rules and on the basis of data available in India. The Chartered Engineer's report is an independent expert valuation based on physical inspection of the goods, the test report and data available in India. The unit value it adopts is consistent with the value at which the goods were earlier assessed. It is not based on any of the methods barred under Rule 9(2), and it is not arbitrary or fictitious. The importer has also accepted this valuation vide email dated 05.10.2026.

14.4.4 In view of the above, I hold that the declared value is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined under Section 14 of the Customs Act, 1962 read with Rule 9 of the CVR, 2007 at Rs. 28,53,115/- (USD 29,353.03) (Rupees Twenty Eight Lakh Fifty Three Thousand One Hundred Fifteen only).

DETERMINATION OF DUTY AND RE-ASSESSMENT OF THE BILL OF ENTRY:

15. I find that, in the impugned Bill of Entry, the importer self-assessed duty of Rs. 2,09,698/- under Section 17(1) of the Customs Act, 1962. Section 17(1) mandates self-assessment and places a statutory obligation on the importer to

correctly declare the description, classification, quantity, value etc. of the imported goods. In the present case, the goods have been found mis-declared in terms of description, classification, quantity and value. Therefore, the duty is required to be re-calculated on the re-determined assessable value of Rs. 28,53,115/-. Accordingly, I determine the total duty leviable on the impugned goods at Rs. 8,01,725/-, as follows:

Particulars	Amount (Rs.)
Re-determined Assessable Value	28,53,115
BCD @ 20%	5,70,623
SWS @ 10% of BCD	57,062
IGST @ 5% [on (AV + BCD + SWS) = Rs. 34,80,800]	1,74,040
Total Re-determined Duty	8,01,725
Duty self-assessed in the Bill of Entry	2,09,698
Differential Duty	5,92,027

15.1 I find that the total re-determined duty for the said goods comes to Rs. 8,01,725/-, whereas the duty self-assessed is Rs. 2,09,698/-. The incorrect self-assessment has thus resulted in a short levy of duty amounting to Rs. 5,92,027/- (Rs. 8,01,725/- minus Rs. 2,09,698/-), which is recoverable in addition to the duty already self-assessed and paid on the declared value in Bill of Entry (SEZ Import, Z-Type) No. 2911235 dated 03.08.2026.

15.2 In the light of the above, I find that the importer has incorrectly self-assessed the Bill of Entry and failed to fulfil the obligation under Section 17(1) of the Customs Act, 1962. Accordingly, I hold that the Bill of Entry is required to be re-assessed under Section 17(4) of the Act.

DISCUSSION AND FINDINGS REGARDING CONFISCATION AND PENALTY:

16. It is proposed in the Investigation Report that the goods are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962. The relevant clauses of Section 111 read as under:

> *(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 transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54.

16.1 I find that M/s. Diksik Imper declared the goods as "Polyester Fabric with PVC Laminated" under CTH 59031090, in a quantity of 42,653 SQM (777 rolls) with an assessable value of Rs. 7,46,256.89/-. However, physical examination revealed 1,115 rolls aggregating to approximately 1,63,072.41 SQM, and the CRCL found the goods to be polyester woven fabric laminated with polyurethane, classifiable under CTH 59032090. The 338 rolls, and the quantity of approximately 1,20,419 SQM, in excess of the declared quantity were not included in the entry made under Section 46 of the Act, which brings the goods within the ambit of Section 111(l) of the Customs Act, 1962.

16.2 Further, the goods do not correspond to the entry made under the Act in respect of description, classification, quantity and value, which brings them within the ambit of Section 111(m) of the Customs Act, 1962. The goods are dutiable and not prohibited; however, the mis-declaration renders them liable to confiscation. Accordingly, I hold that the imported goods having re-determined assessable value of Rs. 28,53,115/- are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

17. From the above, it is evident that the importer has mis-declared the goods in respect of description, classification, quantity and value. By these acts of omission and commission, the importer has rendered the goods liable for confiscation under Section 111 and has thereby rendered themselves liable for penal action under Section 112(a) of the Customs Act, 1962. As the goods are dutiable and not prohibited, and the mis-declaration has resulted in short levy of duty of Rs. 5,92,027/-, I find that the importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962.

17.1 As regards penalty under Section 114AA of the Customs Act, 1962, the said section provides for penal action against any person who knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular in the transaction of any business for the purposes of the Act. I find that the importer filed Bill of Entry No. 2911235 dated 03.08.2026 declaring 777 rolls and a quantity of 42,653 SQM, whereas 1,115 rolls containing about 3.8 times the declared quantity were actually imported, and declaring the goods as PVC laminated fabric under CTH 59031090, whereas the goods were PU laminated fabric classifiable under CTH 59032090. The importer, being the self-filer of the Bill of Entry, made and used a declaration which was false and incorrect in material particulars, namely quantity, description, classification and value (Rs. 7,46,256.89/- against re-determined Rs. 28,53,115/-). A mis-declaration of quantity of this magnitude cannot be regarded as inadvertent. Therefore, I hold that the importer is liable to penalty under Section 114AA of the Customs Act, 1962.

17.2 With respect to recovery of differential duty, I confirm the calculations discussed in the foregoing paras and hold that the differential duty of Rs. 5,92,027/- (Rs. 8,01,725/- minus Rs. 2,09,698/-) has been short-levied due to mis-declaration, mis-classification and undervaluation, and the same shall be recovered, in addition to the duty already self-assessed and paid on the declared value in Bill of Entry No. 2911235 dated 03.08.2026, at the time of re-assessment.

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

> *"Section 125. Option to pay fine in lieu of confiscation.—(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in*

force, and shall, in the case of any other goods, give to the owner of the goods [or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit: Provided that... [provisos omitted for brevity]"

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

18.2 In the instant case, the goods are dutiable but not prohibited or restricted under the Customs Tariff Act, 1975 or the Foreign Trade (Development & Regulation) Act, 1992, and, as noted in the Investigation Report, no import policy restriction or registration requirement applicable to the goods has been contravened. Since the goods are non-prohibited, the mandatory provision under Section 125(1) comes into operation, and the importer is entitled to an option to redeem the confiscated goods on payment of an appropriate fine in lieu of confiscation. Accordingly, I hold that the goods (total re-determined value Rs. 28,53,115/-) are eligible for redemption upon payment of a redemption fine under Section 125(1) of the Customs Act, 1962.

19. In view of the above findings, I conclude that the importer mis-declared the description and quantity of the goods, mis-classified them and undervalued the consignment by declaring Rs. 7,46,256.89/- against the re-determined value of Rs. 28,53,115/-, rendering the goods liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962 and the importer liable to penalty under Sections 112(a)(ii) and 114AA of the Customs Act, 1962; further, as the goods are not prohibited, an option to redeem the confiscated goods on payment of an appropriate redemption fine is required to be extended under Section 125(1) of the Customs Act, 1962.

19.1 While determining the quantum of redemption fine and penalties, I have taken into consideration that the importer has accepted the test report and the

valuation, has not contested the investigation findings, has waived the Show Cause Notice and Personal Hearing, and has requested a lenient view in the matter.

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

ORDER

(i) I reject the declared description, classification (CTH 59031090) and quantity (777 rolls / 42,653 SQM) of the goods imported under SEZ (Z-Type) Bill of Entry No. 2911235 dated 03.08.2026, filed by the importer, M/s. Diksik Imper, and order that the goods be described as "Dyed woven fabric of polyester filament yarn (textured), laminated on one side with polyurethane (PU)", classified under **CTH 59032090**, and the quantity be taken as **1,115 rolls (1,63,072.41 SQM)**, as per the discussion and findings at Para 13 above.

(ii) I reject the declared assessable value of Rs. 7,46,256.89/- under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and order to re-determine the same at **Rs. 28,53,115/- (Rupees Twenty Eight Lakh Fifty Three Thousand One Hundred Fifteen only)** under Rule 9 ibid read with Section 14 of the Customs Act, 1962, as per the discussion and findings at Para 14 above.

(iii) I order to re-assess the SEZ (Z-Type) Bill of Entry No. 2911235 dated 03.08.2026 under Section 17(4) of the Customs Act, 1962 as per (i) and (ii) above, with total duty of **Rs. 8,01,725/- (Rupees Eight Lakh One Thousand Seven Hundred Twenty-Five only)**, and order recovery of the differential customs duty of **Rs. 5,92,027/- (Rupees Five Lakh Ninety-Two Thousand Twenty-Seven only)** in addition to the duty of Rs. 2,09,698/- already self-assessed, as per the discussion and findings at Para 15 above.

(iv) I order to confiscate the goods imported vide SEZ (Z-Type) Bill of Entry No. 2911235 dated 03.08.2026, having re-determined assessable value of Rs. 28,53,115/- (Rupees Twenty Eight Lakh Fifty Three Thousand One Hundred Fifteen only), under Sections 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the said goods on payment of a redemption fine of **Rs. 2,80,000/- (Rupees Two Lakh Eighty Thousand only)** under Section 125 of the Customs Act, 1962.

(v) I impose a penalty of **Rs. 55,000/- (Rupees Fifty Five Thousand only)** upon the importer, M/s. Diksik Imper, under Section 112(a)(ii) of the Customs Act, 1962 for the differential duty of Rs. 5,92,027/- under SEZ (Z-Type) Bill of Entry No. 2911235 dated 03.08.2026 arising from mis-declaration and undervaluation.

(vi) I impose a penalty of **Rs. 25,000/- (Rupees Twenty Five Thousand only)** upon the importer, M/s. Diksik Imper, under Section 114AA of the Customs Act, 1962.

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

Digitally signed by
Dipakbhai Zala
Date: 16-10-2026
17:26:14

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

To,
M/s. Diksik Imper,
Plot No. 7D/8, Flat No. A-04,
Vanash Vichumbe Road,
Navi Mumbai, Panvel, Maharashtra – 410206.
Email: diksikimper23@gmail.com

Copy to:

1. The Deputy/Assistant Commissioner (SIIB), Customs House, Mundra.
2. The Deputy Commissioner (Import Assessment Group-III), Customs House, Mundra.
3. The Dy./Asstt. Commissioner (Review Cell), Customs House, Mundra.
4. The Authorised Officer, M/s. Shoolin Trade Link LLP (SEZ Unit), APSEZ, Mundra.
5. Concerned file / Guard file.