	प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा **OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOM HOUSE: MUNDRA, KUTCH** **MUNDRA PORT & SPL ECONOMIC ZONE, MUNDRA-370421** ई-मेल/ E-Mail: adj-mundra@gov.in	
A	फा /.सं .FILE NO.	GEN/ADJ/ADC/2086/2025-Adjn-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ADC/ZDC/150/2026-27
C	द्वारा पारित किया गया PASSED BY	**Dipak Zala,** Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	29-05-2026
E	जारी करने की तिथि DATE OF ISSUE	29-05-2026
F	कारण बताओ नोटिस संएवं तिथि . SCN NO. & DATE	133/2025-26/ADC/ZDC/MCH dated 04.12.2025
G	नोटिसीपार्टी / आयातक/ NOTICEE/PARTY/ IMPORTER	**1.** M/s. GA International (IEC: 0513000771) **2.** Shri Sandeep Aggarwal, Proprietor of M/s. GA International
H	डिन DIN	20260571MO000000EF12

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

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 128A के अंतर्गत प्रपत्र सीए3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-
   Any person aggrieved by this Order - in - Original may file an appeal under Section 128A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

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

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

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

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5 -/रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए -
   Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must accompanied by –

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

6. अपील ज्ञापन के साथ ड्यूटि/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.

7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।
While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (Appeals) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।
An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

BRIEF FACTS OF THE CASE

M/s. GA International, located on the Ground and Second Floor, 31, Rani Jhansi Road, Blue Dart Delhi-110055, and holding IEC No. 0513000771 [hereinafter referred to as noticee or importer for the sake of brevity] is engaged in the import of fabrics through Mundra SEZ.

1.2. The Directorate of Revenue Intelligence, Ahmedabad Zonal Unit (hereinafter referred to as "DRI" for the sake of brevity) received an intelligence that some importers are mis-declaring the nature and composition of imported synthetic fabrics at Mundra SEZ and wrongfully claiming their classification under CTI 59039090 and 59031090 with import goods declared as "*Polyester Fabric with PA Coating and Polyester Fabric with PVC Backing*" respectively. The said mis-declaration was intended to evade the applicable anti-dumping duty and/or other customs duties.

1.3. Based on the above intelligence, the following import consignment of one M/s GA International was intercepted, and the officers of DRI examined the goods:

Table "1"

SEZ BE No. & Date	Bill of Lading No.	Container No.	Description of goods as per BE
7838097 dated 17.01.2025	YSQ2412335	GCXU6004808	Polyester Fabric with PA Coating
			Polyester Fabric with PVC Backing

1.4. The above consignment was imported from China with import goods declared as ***"Polyester Fabric with PA Coating/ Polyester Fabric with PVC Backing"*** under CTI 59039090 / 59031090, attracting BCD @ 20% and no Anti-Dumping Duty.

2. Examination of Goods:

2.1. Consequently, physical examination of the goods mentioned under the above BE No. 7838097 dated 17.01.2025 filed at Mundra SEZ was conducted under Panchnama dated 29.01.2025.

2.2. During the examination of goods, copies of documents such as Bill of Entry, Bill of Lading, Packing List, Invoice, etc., were obtained. Based on such

documents, the following details are found:

Table – "2"

S. N.	Particulars	Details
1.	Name of Importer	M/s GA INTERNATIONAL, Ground and Second Floor, 31, Rani Jhansi Raod, Blue Dart Delhi-110055 (IEC: 0513000771)
2.	Bill of Entry No. & Date	7838097 dated 17.01.2025
3.	Bill of Lading No.	YSQ2412335 dated 24.12.2024
4.	Name of Exporter	M/s Hong Kong Lifetony International Trade Co. Limited.
5.	IEC No.	0513000771
6.	GST No.	07AERPA9879G1ZV
7.	Email ID	Sandf_aga@yahoo.com
8.	Sales Invoice No.	RAG039 dated 12.12.2024
9.	Description of goods	Polyester Fabric with PA Coating/ Polyester Fabric with PVC Backing
10.	Declared CTI	59039090 / 59031090
11.	Total Roll	1331
12.	Quantity of Goods declared	48210/15390 SQM
13	Unit Price USD/SQM	0.12/0.14
14.	Total Price	5785.20/2154.60 USD
15.	Country of consignment	China

2.3. During the examination, it was observed that goods stuffed in the said container were fabric rolls wrapped in plastic sheets. All the imported goods under the said container were de-stuffed, and a systematic examination of the goods was conducted. During the examination, nine types of fabrics were found. Subsequently, total rolls of each type were counted separately, and a random check of the length & width of a few rolls of each type of fabric was undertaken. The same are mentioned as under:

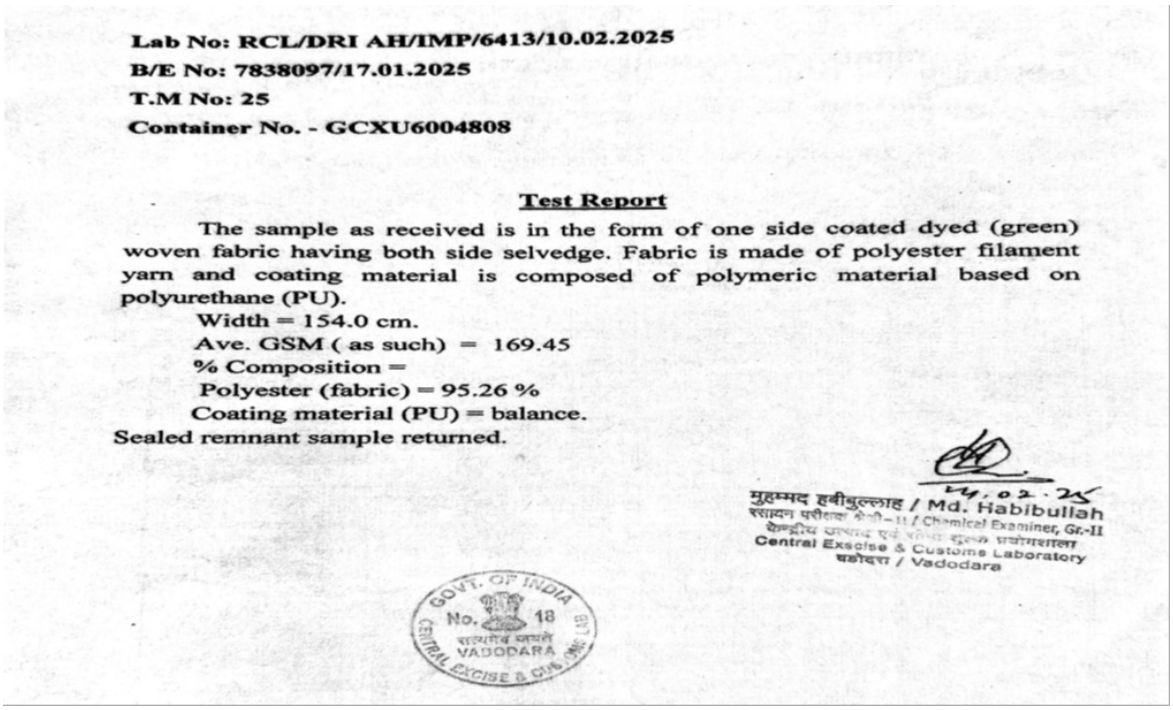
Table – "3"

No. of types of goods	Total No. of Rolls	Length of each roll	Width of each roll
Type – 1	976	60 Mtr	1.54 Mtr
Type – 2	272	50 Mtr	1.54 Mtr
Type – 3	11	60 Mtr	1.54 Mtr
Type – 4	12	45 Mtr	1.5 Mtr
Type – 5	12	55 Mtr	1.5 Mtr
Type – 6	14	45 Mtr	1.5 Mtr
Type – 7	15	45 Mtr	1.5 Mtr
Type – 8	13	45 Mtr	1.5 Mtr
Type – 9	6	50 Mtr	1.5 Mtr

2 . 4 . Further, representative samples of each type of imported fabrics were drawn under the said Panchnama dated 29.01.2025 for laboratory testing and analysis to ascertain their exact identity. The samples were duly sealed and forwarded to the CRCL Vadodara vide Test Memo's No. 25/G A INTERNATIONAL/7838097, 26/G A INTERNATIONAL/7838097, 27/G A INTERNATIONAL /7838097, 28/G A INTERNATIONAL/7838097, 29/G A INTERNATIONAL/7838097, 30/G A INTERNATIONAL/7838097, 31/G A INTERNATIONAL/7838097, 32/G A INTERNATIONAL/ 7838097, 33/G A INTERNATIONAL/7838097 for testing.

3. Sample Test Reports

3.1. In respect of Type-1 Fabric under Test Memo No. 25/G A INTERNATIONAL/7838097, CRCL Vadodara vide their Test Report No. RCL/DRI/AH/IMP/6413/10.02.2025 dated 24.02.2025 reported that "*the sample is in the form of one side coated dyed(green) woven fabric having both side selvedge. Fabric is made of polyester filament yarn and coating material is composed of polymeric material based on polyurethane (PU).*" The image of the report received from CRCL Vadodara is extracted below for reference:



Lab No: RCL/DRI AH/IMP/6413/10.02.2025
B/E No: 7838097/17.01.2025
T.M No: 25
Container No. - GCXU6004808

Test Report

The sample as received is in the form of one side coated dyed (green) woven fabric having both side selvedge. Fabric is made of polyester filament yarn and coating material is composed of polymeric material based on polyurethane (PU).

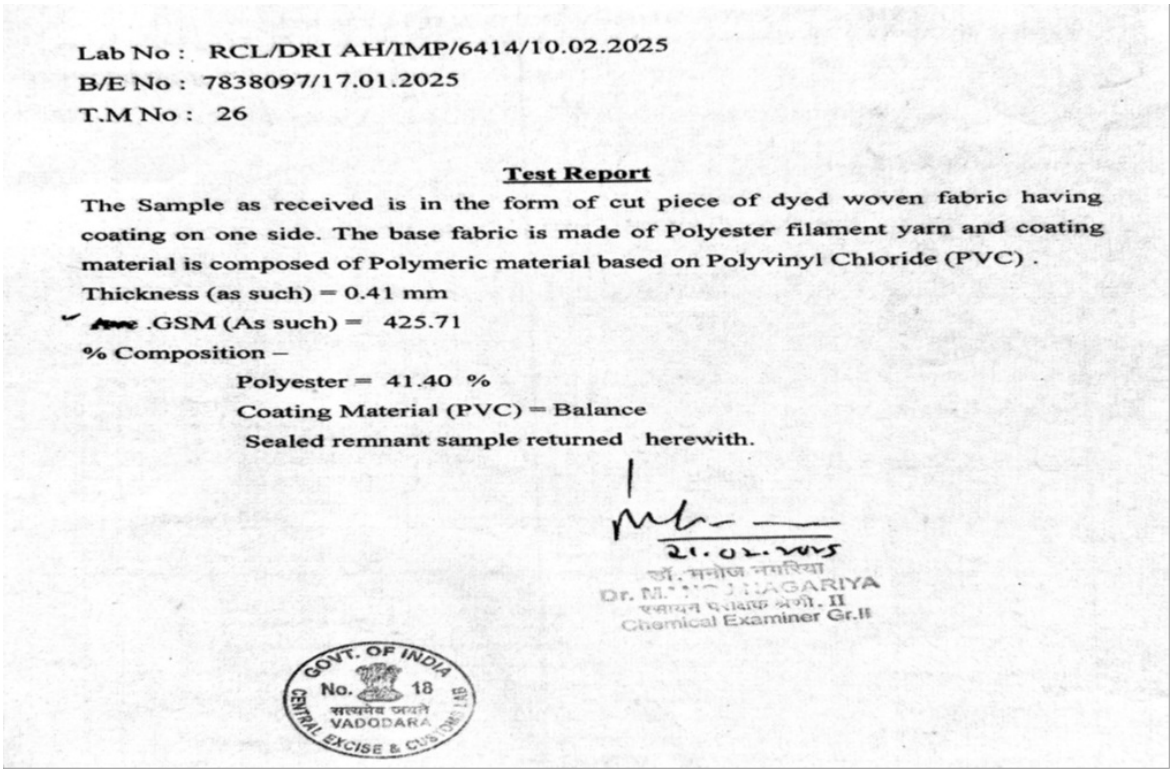
Width = 154.0 cm.
Ave. GSM (as such) = 169.45
% Composition =
Polyester (fabric) = 95.26 %
Coating material (PU) = balance.

Sealed remnant sample returned.

24.02.25
मुहम्मद हबीबुल्लाह / Md. Habibullah
रसायन परीक्षक ग्रेड-II / Chemical Examiner, Gr.-II
केन्द्रीय उत्पाद एवं सीमा शुल्क प्रयोगशाला
Central Excise & Customs Laboratory
वडोदरा / Vadodara

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3.2. In respect of Type-2 Fabric under Test Memo No. 26/G A INTERNATIONAL/7838097, CRCL Vadodara vide their Test Report No. RCL/DRI/AH/IMP/6414/10.02.2025 dated 21.02.2025 reported that "*The sample is in the form of cut piece of dyed woven fabric having coating on one side. The base fabric is made of Polyester filament Yarn and coating material is composed of Polymeric material based on Polyvinyl Chloride (PVC).*" The image of the report received from CRCL Vadodara is extracted below for reference:



Lab No : RCL/DRI AH/IMP/6414/10.02.2025
B/E No : 7838097/17.01.2025
T.M No : 26

Test Report

The Sample as received is in the form of cut piece of dyed woven fabric having coating on one side. The base fabric is made of Polyester filament yarn and coating material is composed of Polymeric material based on Polyvinyl Chloride (PVC) .

Thickness (as such) = 0.41 mm

.GSM (As such) = 425.71

% Composition –

Polyester = 41.40 %

Coating Material (PVC) = Balance

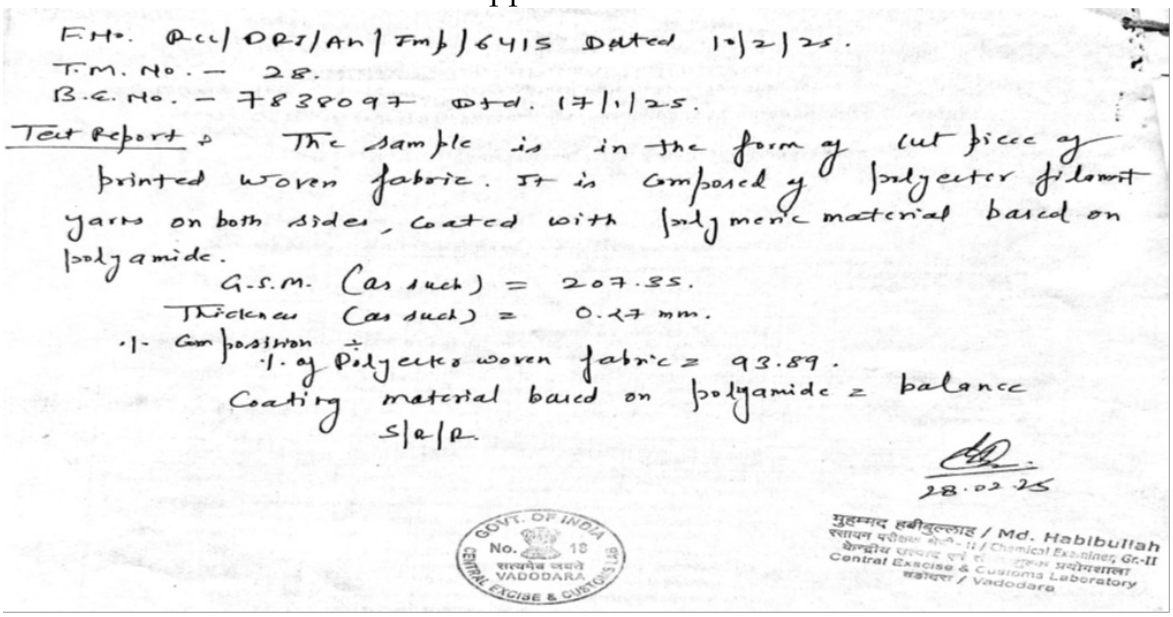
Sealed remnant sample returned herewith.

21.02.2025

डॉ. मनोज नगरिया
Dr. M[illegible] J NAGARIYA
रसायन परीक्षक श्रेणी. II
Chemical Examiner Gr.II

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3.3. In respect of Type-3 Fabric under Test Memo No. 27/G A INTERNATIONAL/7838097, CRCL Vadodara vide their Test Report No. RCL/DRI/AH/IMP/6415/10.02.2025 dated 28.02.2025 reported that "*the sample is in the form of cut piece of printed woven fabric. It is composed of polyester filament yarn on both sides, coated with polymeric material based on polyamide*." The image of the report received from CRCL Vadodara is appended below for reference:



F.No. RCL/DRI/AH/IMP/6415 Dated 10/2/25.
T.M. No. – 28.
B.E. No. – 7838097 Dtd. 17/1/25.

Test Report :- The sample is in the form of cut piece of printed woven fabric. It is composed of polyester filament yarns on both sides, coated with polymeric material based on polyamide.

G.S.M. (as such) = 207.35.
Thickness (as such) = 0.27 mm.
% Composition :-
% of Polyester woven fabric = 93.89.
Coating material based on polyamide = balance
S/e/R

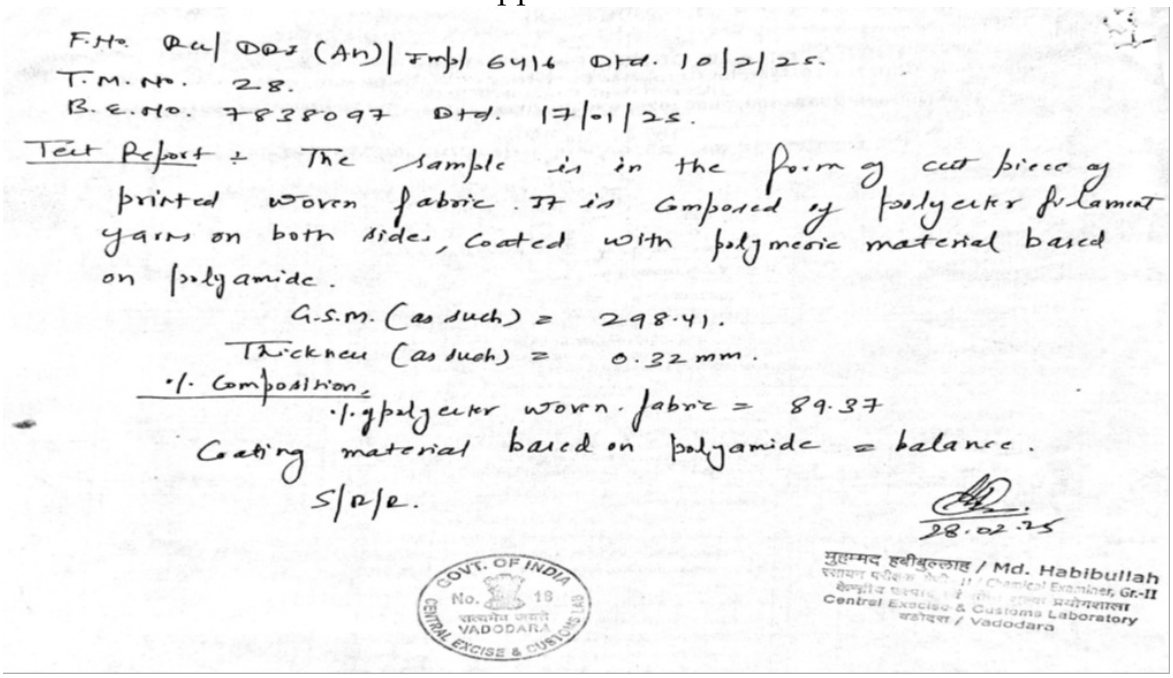
28.02.25

मुहम्मद हबीबुल्लाह / Md. Habibullah
रसायन परीक्षक श्रेणी-II / Chemical Examiner, Gr.-II
केन्द्रीय उत्पाद शुल्क एवं सीमा शुल्क प्रयोगशाला
Central Excise & Customs Laboratory
वडोदरा / Vadodara

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3.4. In respect of Type -4 Fabric under Test Memo No. 28/G A INTERNATIONAL/7838097, CRCL Vadodara vide their Test Report No. RCL/DRI/AH/IMP/6416/10.02.2025 dated 28.02.2025 reported that "*The sample is in the form of cut piece of printed woven fabric. It is composed of polyester filament yarn on*

both sides, coated with polymeric material based on polyamide." The image of report received from CRCL Vadodara is appended below for reference:



F.No. RCL/DRI(AH)/Imp/6416 Dtd. 10/2/25.
T.M.No. 28.
B.E.No. 7838097 Dtd. 17/1/25.

Test Report :- The sample is in the form of cut piece of printed woven fabric. It is composed of polyester filament yarns on both sides, coated with polymeric material based on polyamide.

G.S.M. (as such) = 298.41.
Thickness (as such) = 0.32 mm.
%. Composition,
%. of polyester woven fabric = 89.37
Coating material based on polyamide = balance.

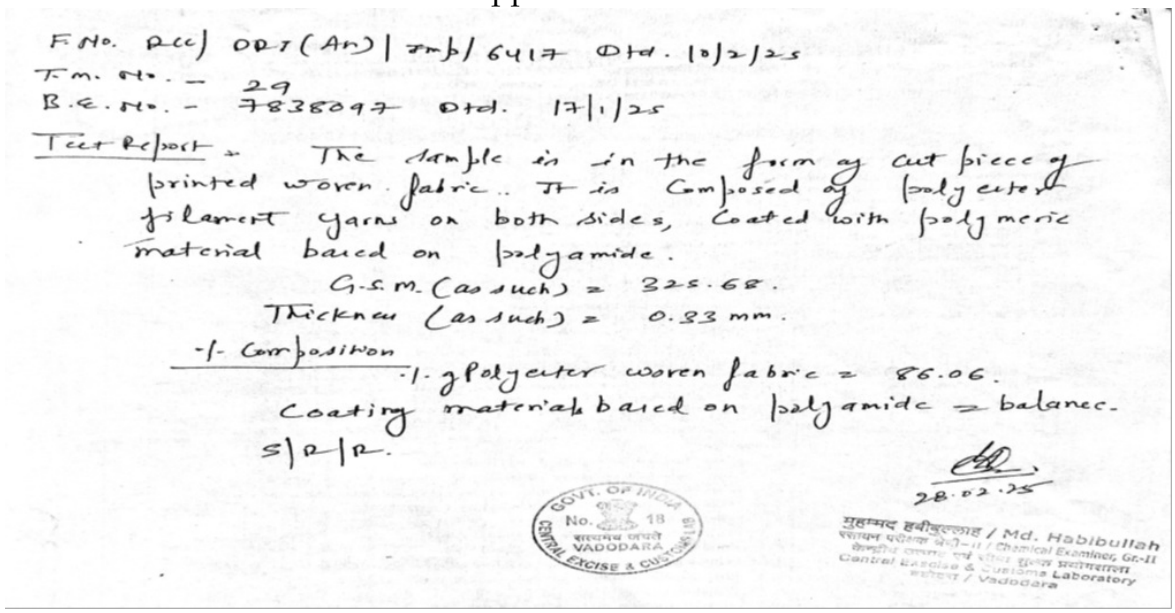
S/D/R.

28.02.25

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मुहम्मद हबीबुल्लाह / Md. Habibullah
रासायन परीक्षक ग्रेड-II / Chemical Examiner, Gr.-II
केन्द्रीय उत्पाद शुल्क एवं सीमा शुल्क प्रयोगशाला
Central Excise & Customs Laboratory
वडोदरा / Vadodara

3.5. In respect of Type -5 Fabric under Test Memo No. 29/G A INTERNATIONAL/7838097, CRCL Vadodara vide their Test Report No. RCL/DRI/AH/IMP/6417/10.02.2025 dated 28.02.2025 reported that "*The sample is in the form of cut piece of printed woven fabric. It is composed of polyester filament yarn on both sides, coated with polymeric material based on polyamide*." The image of report received from CRCL Vadodara is appended below for reference:



F.No. RCL/DRI(AH)/Imp/6417 Dtd. 10/2/25
T.M.No. - 29
B.E.No. - 7838097 Dtd. 17/1/25

Test Report :- The sample is in the form of cut piece of printed woven fabric. It is composed of polyester filament yarns on both sides, coated with polymeric material based on polyamide.

G.S.M. (as such) = 325.68.
Thickness (as such) = 0.33 mm.
%. Composition
%. of Polyester woven fabric = 86.06.
Coating material based on polyamide = balance.

S/D/R.

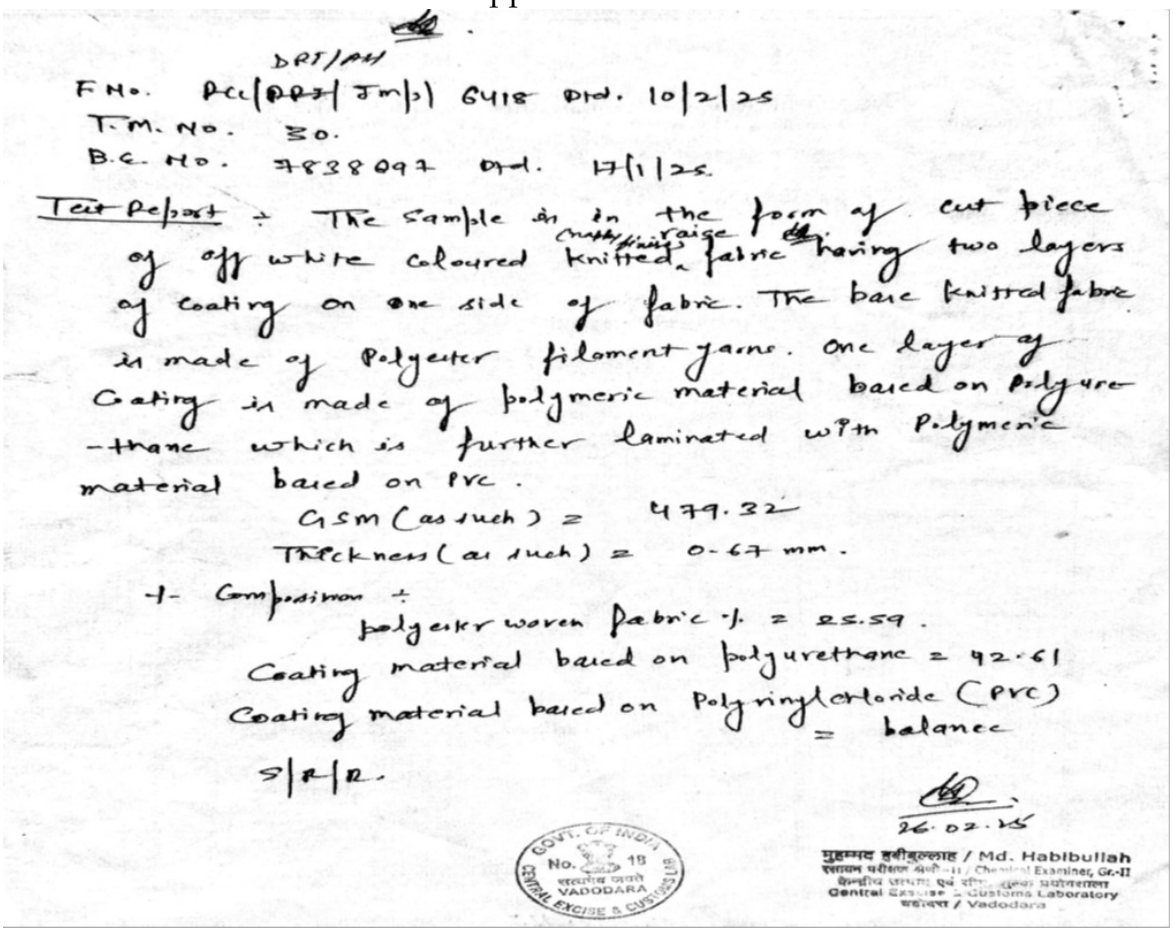
28.02.25

GOVT. OF INDIA No. 18 VADODARA CENTRAL EXCISE & CUSTOMS LAB

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रासायन परीक्षक ग्रेड-II / Chemical Examiner, Gr.-II
केन्द्रीय उत्पाद शुल्क एवं सीमा शुल्क प्रयोगशाला
Central Excise & Customs Laboratory
वडोदरा / Vadodara

3.6. In respect of Type -6 Fabric under Test Memo No. 30/G A INTERNATIONAL/7838097, CRCL Vadodara vide their Test Report No. RCL/DRI/AH/IMP/6418/10.02.2025 dated 26.02.2025 reported that "*The sample is in the form of cut piece of white colored knitted fabric having two layers of coating on one*

side of fabric. The base knitted fabric is made of polymeric material based on polyurethane which is further laminated with polymeric material based on PVC" The image of report received from CRCL Vadodara is appended below for reference:



DRI/AH

F.No. RCL/DRI/Imp/6418 Dtd. 10/2/25

T.M. No. 30.

B.C. No. 7838097 Dtd. 17/1/25.

Test Report :- The sample is in the form of cut piece of off white coloured knitted fabric having two layers of coating on one side of fabric. The base knitted fabric is made of Polyester filament yarns. One layer of Coating is made of polymeric material based on Polyurethane which is further laminated with Polymeric material based on PVC.

GSM (as such) = 479.32

Thickness (as such) = 0.67 mm.

% Composition :-

Polyester woven fabric % = 25.59.

Coating material based on polyurethane = 42.61

Coating material based on Polyvinylchloride (PVC) = balance

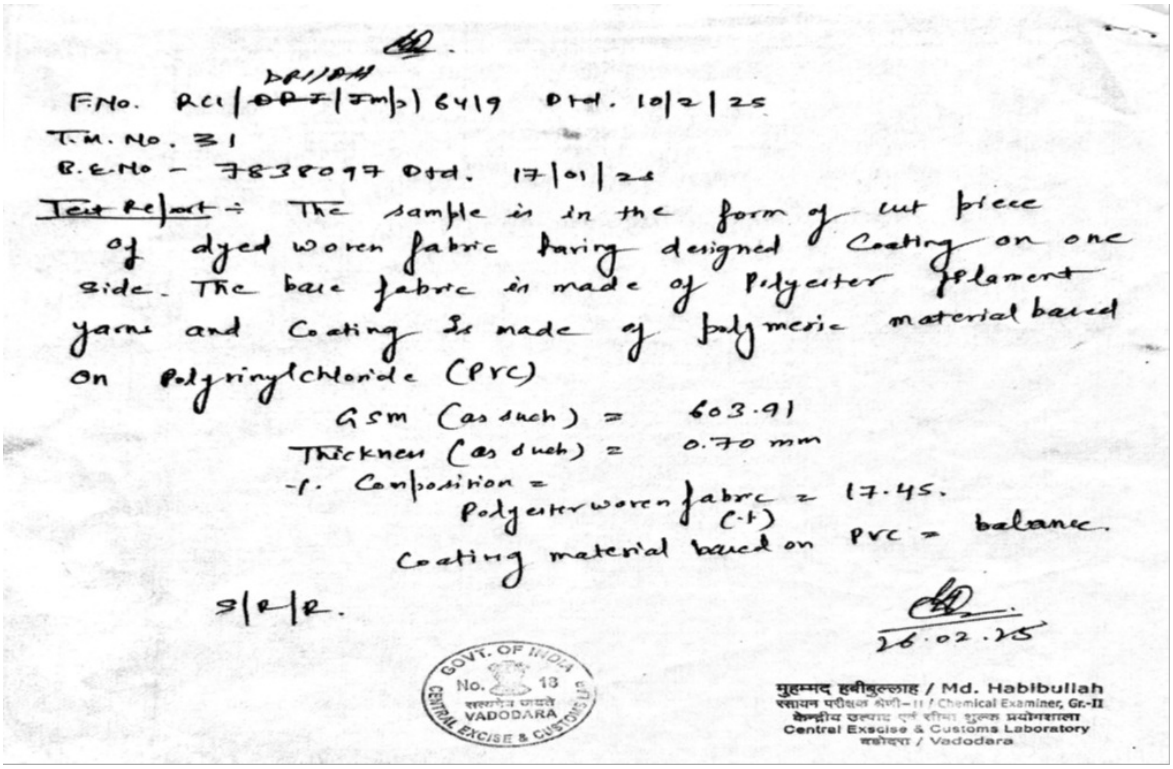
S/R/R.

26.02.25

GOVT. OF INDIA No. 19 VADODARA CENTRAL EXCISE & CUSTOMS

मुहम्मद हबीबुल्लाह / Md. Habibullah
रासायन परीक्षक श्रेणी-II / Chemical Examiner, Gr.-II
केन्द्रीय उत्पाद एवं सीमा शुल्क प्रयोगशाला
Central Excise & Customs Laboratory
वडोदरा / Vadodara

3.7. In respect of Type -7 Fabric under Test Memo No. 31/G A INTERNATIONAL/7838097, CRCL Vadodara vide their Test Report No. RCL/DRI/AH/IMP/6419/10.02.2025 dated 26.02.2025 reported that "*The sample is in the form of cut piece of dyed woven fabric having designed coating on one side. The base material is made of polyester filament yarn and coating is made of polymeric material based on Polyvinyl Chloride (PVC)"* The image of report received from CRCL Vadodara is appended below for reference:



F.No. RCL/DRI/AH/IMP/6419 Dtd. 10/2/25
T.M. No. 31
B.E.No - 7838097 Dtd. 17/01/25
Test Report :- The sample is in the form of cut piece of dyed woven fabric having designed coating on one side. The base fabric is made of Polyester filament yarn and coating is made of polymeric material based on Polyvinylchloride (PVC)

GSM (as such) = 603.91
Thickness (as such) = 0.70 mm
% Composition = Polyesterwoven fabric (-1) = 17.45.
Coating material based on PVC = balance.

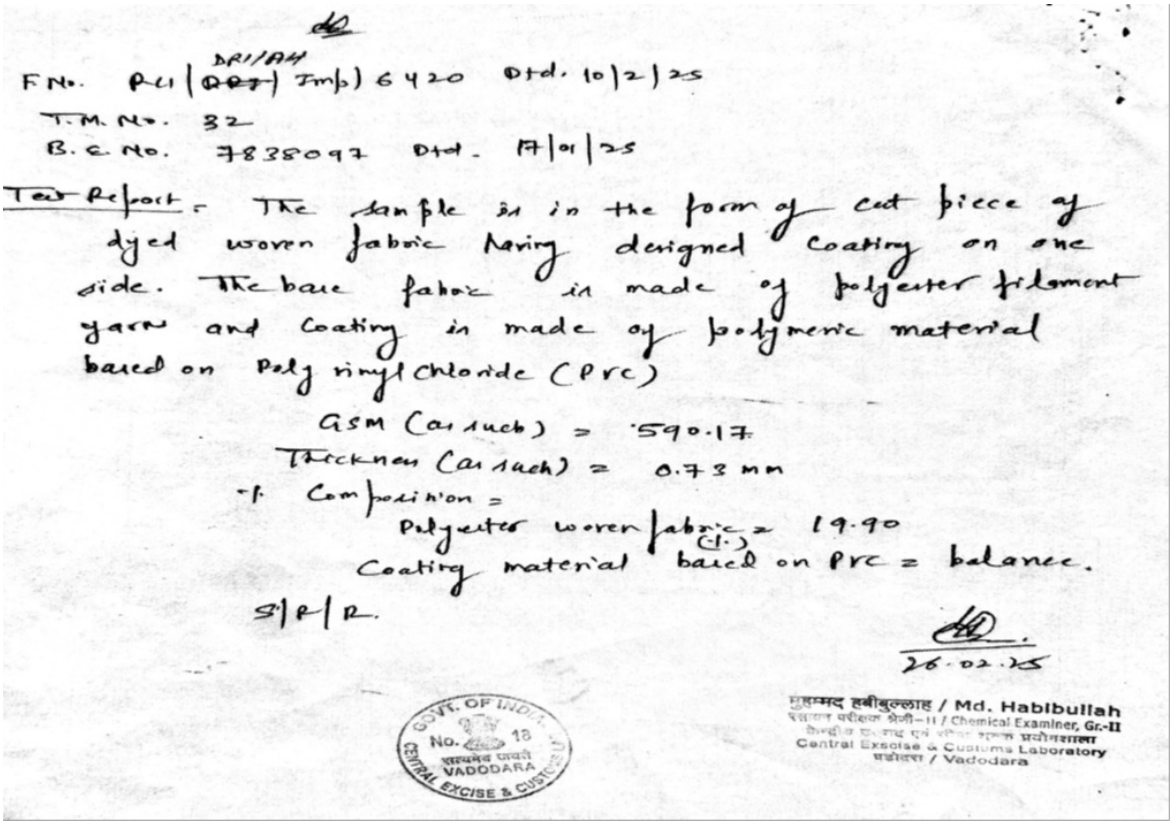
S/R/R.

26.02.25

GOVT. OF INDIA No. 13 VADODARA CENTRAL EXCISE & CUSTOMS

मुहम्मद हबीबुल्लाह / Md. Habibullah
रसायन परीक्षक श्रेणी–II / Chemical Examiner, Gr.-II
केन्द्रीय उत्पाद एवं सीमा शुल्क प्रयोगशाला
Central Excise & Customs Laboratory
वडोदरा / Vadodara

3.8. In respect of Type -8 Fabric under Test Memo No. 32/G A INTERNATIONAL/7838097, CRCL Vadodara vide their Test Report No. RCL/DRI/AH/IMP/6420/10.02.2025 dated 26.02.2025 reported that "*The sample is in the form of cut piece of dyed woven fabric having designed coating on one side. The base material is made of polyester filament yarn and coating is made of polymeric material based on Polyvinyl Chloride (PVC)*" The image of report received from CRCL Vadodara is appended below for reference:



F.No. RCL/DRI/AH/Imp)6420 Dtd. 10/2/25
T.M.No. 32
B.E.No. 7838097 Dtd. 17/01/25

Test Report :- The sample is in the form of cut piece of dyed woven fabric having designed coating on one side. The base fabric is made of polyester filament yarn and coating is made of polymeric material based on Poly vinyl Chloride (PVC)

GSM (as such) = 590.17
Thickness (as such) = 0.73 mm
% Composition =
Polyester woven fabric (Cl.) = 19.90
Coating material based on PVC = balance.

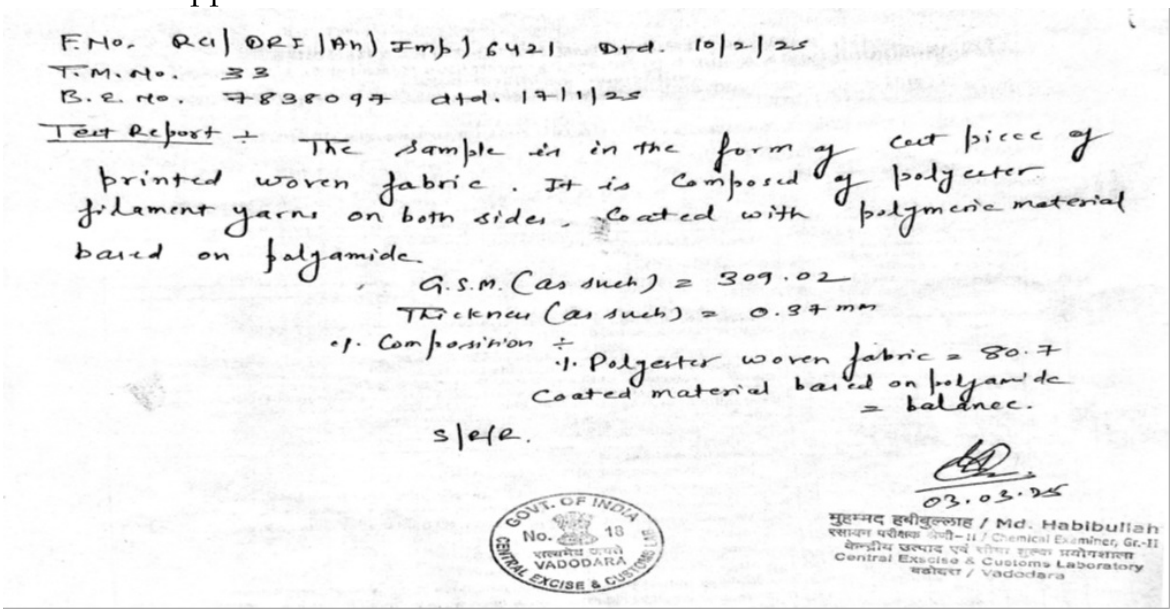
S/A/R.

26.02.25

GOVT. OF INDIA No. 18 VADODARA CENTRAL EXCISE & CUSTOMS

मुहम्मद हबीबुल्लाह / Md. Habibullah
रसायन परीक्षक श्रेणी-II / Chemical Examiner, Gr.-II
केन्द्रीय उत्पाद एवं सीमा शुल्क प्रयोगशाला
Central Excise & Customs Laboratory
वडोदरा / Vadodara

3.9. In respect of Type-9 Fabric under Test Memo No. 33/G A INTERNATIONAL/7838097, CRCL Vadodara vide their Test Report No. RCL/DRI/AH/IMP/6421/10.02.2025 dated 03.03.2025 reported that "*The sample is in the form of cut piece of printed woven fabric. It is composed of polyester filament yarns on both sides. It is composed of polyester filament yarns on both sides, coated with polymeric material based on polyamide.*" The image of report received from CRCL Vadodara is appended below for reference:



F.No. RCL/DRI/AH/Imp)6421 Dtd. 10/2/25
T.M.No. 33
B.E.No. 7838097 dtd. 17/1/25

Test Report :- The sample is in the form of cut piece of printed woven fabric. It is composed of polyester filament yarns on both sides, coated with polymeric material based on polyamide.

G.S.M. (as such) = 309.02
Thickness (as such) = 0.37 mm
% Composition :-
% Polyester woven fabric = 80.7
Coated material based on polyamide = balance.

S/A/R.

03.03.25

GOVT. OF INDIA No. 18 VADODARA CENTRAL EXCISE & CUSTOMS

मुहम्मद हबीबुल्लाह / Md. Habibullah
रसायन परीक्षक श्रेणी-II / Chemical Examiner, Gr.-II
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3.10. The details of goods found as per the test reports of CRCL Vadodara and

Panchnama is as under.

Table – "4"

Particulars	No. of type of the goods	Total No. of Rolls	Length of each roll	Width of each roll	Total Quantities in SQM	Type of fabric as per the test report
AS PER PANCHANAMA	A	B	C	D	E=B*C*D	F
	Type-1	976	60 Mtr	1.54 Mtr	90182.4	PU Coated Fabric
	Type-2	272	50 Mtr	1.54 Mtr	20944	PVC Coated
	Type-3	11	60 Mtr	1.54 Mtr	1016.4	PA Coated
	Type-4	12	45 Mtr	1.5 Mtr	810	PA Coated
	Type-5	12	55 Mtr	1.5 Mtr	990	PA Coated
	Type-6	14	45 Mtr	1.5 Mtr	945	PU Coated
	Type-7	15	45 Mtr	1.5 Mtr	1012.5	PVC Coated
	Type-8	13	45 Mtr	1.5 Mtr	877.5	PVC Coated
	Type-9	6	50 Mtr	1.5 Mtr	450	PA Coated
	Total	**1331**			**117228**	

Based on the foregoing facts, it is evident that the goods declared as "Polyester Fabric with PA Coating/Polyester Fabric with PVC Backing" under CTI 59039090 / 59031090 vide Bill of Entry No. 7838097 dated 17.01.2025 were mis declared, with the intent to conceal the import of PU coated fabric under the guise of PA coated/PVC Coated fabric. The discrepancy between the goods declared and the actual goods found during the panchnama proceedings, as further substantiated by the test report issued by CRCL Vadodara, is as follows:

Table – "5"

Declared Description of goods in B. E	No of Rolls declared	Quantity of goods declared in B.E in Sq Mtr	No of Rolls found as per panchnama & Test Reports	Quantity of goods found during panchanama in SQM
Polyester Fabric with PA Coating	1030	48210	41(Type 3, Type 4, Type 5, Type 9 fabric)	3266.4
Polyester Fabric with PVC Backing	301	15390	300(Type 2, Type 7, Type 8 fabric)	22834
PU Coated Fabric	0	0	990(Type 1 & Type 6 fabric)	91127.4

	1331	**63600**		**117228**

From the above, it is apparent that the goods declared as "Polyester Fabric with PA Coating" and "Polyester Fabric with PVC Backing" have been mis-declared both in terms of their nature and quantity. The actual quantity of goods imported exceeds the quantity declared in the Bill of Entry. Furthermore, as per the test reports, it is evident that PU coated fabric was imported under the guise of "Polyester Fabric with PA Coating" and "Polyester Fabric with PVC Backing." This misdeclaration with respect to both the nature and quantity of the imported goods constitutes a contravention of customs regulations. Therefore, the goods in question are liable to confiscation under Section 111 of the Customs Act, 1962.

3.11. By mis-declaring the nature of the imported goods, the importer has evaded customs duty amounting to ₹50,69,239/- (Rupees Fifty Lakhs Sixty Nine Thousand Two Hundred and Thirty Nine only), comprising Basic Customs Duty of ₹13,17,222/- (Rupees Thirteen Lakhs seventeen Thousand Two Hundred and Twenty Two only), Social Welfare Surcharge (SWS) of ₹1,31,722/- (Rupees One Lakh Thirty-One Thousand Seven Hundred Twenty Two only), Anti-Dumping Duty of ₹23,71,507/- (Rupees Twenty Three Lakhs Seventy One Thousand Five Hundred and Seven only), and Integrated Goods and Services Tax (IGST) of ₹12,48,788/- (Rupees Twelve Lakhs Forty Eight Thousand Seven Hundred and Eighty Eight only). The detailed calculation indicating the above quantum of evasion is brought out in the subsequent part of this Investigation Report. Furthermore, the importer has imported goods falling under CTI 59032090, attracting Anti-Dumping Duty of 0.46 USD/Meter when imported from China, thereby violating the prescribed import conditions and attracting penal consequences under the relevant provisions of the Customs Act, 1962.

4. Seizure of Goods:

4.1. The above ascertained mis-declaration and misclassification appeared to be a deliberate attempt to evade applicable duties. Accordingly, the imported goods covered under Bill of Entry No. 7838097 dated 17.01.2025 were placed under Seizure vide Seizure Memo F. No. DRI/AZU/CI-1/Misc-1/2025 dated 13.03.2025, as they were found to be liable for confiscation under Section 111 of the Customs Act, 1962. The details of the seized goods are as follows:

Table – "6"

No. of types of goods	Total No. of Rolls	Length of each roll	Width of each roll	Type of fabric as per the test report
Type – 1	976	60 Mtr	1.54 Mtr	PU Coated Fabric
Type – 2	272	50 Mtr	1.54 Mtr	PVC Coated
Type – 3	11	60 Mtr	1.54 Mtr	PA Coated
Type – 4	12	45 Mtr	1.5 Mtr	PA Coated
Type – 5	12	55 Mtr	1.5 Mtr	PA Coated

Type – 6	14	45 Mtr	1.5 Mtr	PU Coated
Type – 7	15	45 Mtr	1.5 Mtr	PVC Coated
Type – 8	13	45 Mtr	1.5 Mtr	PVC Coated
Type – 9	6	50 Mtr	1.5 Mtr	PA Coated

4.2. Vide the above Seizure Memo dated 13.03.2025; M/s GA International was also given an option to approach the Jurisdictional Customs Authority for provisional release of the seized goods under the provisions of Section 110A of the Customs Act, 1962. However, no such option has been availed by M/s GA International.

4.3. In accordance with the provisions of Section 110(2) of the Customs Act, 1962, where goods are seized under sub-section (1) and no notice under clause (a) of Section 124 is issued within six months from the date of seizure, the goods are required to be returned to the person from whose possession they were seized; however, the proviso to the said section empowers the Principal Commissioner or Commissioner of Customs to extend this period by a further six months, provided reasons are recorded in writing and the concerned person is informed before the expiry of the initial period—accordingly, in the present case, the competent authority has granted extension up to 28.01.2026 and the same was duly communicated to the importer, M/s. GA International, vide letter dated 25.07.2025.

5. Statements Recorded

5.1. Consequent to the Summons (CBIC-DIN-202503DDZ1000000F70F) dated 24.03.2025, a statement of ***Shri Sandeep Aggarwal, Proprietor of M/s GA International*** (IEC: 0513000771) was recorded under Section 108 of the Customs Act, 1962, wherein, he inter-alia stated that M/s GA International is engaged in the business of trading of fabric; they import the goods as per the requirement of the customers and subsequently sell the same into the domestic market. During the statement, a copy of the panchanama dated 29.01.2025 & copies of CRCL's test reports were confronted. Shri Sandeep Aggarwal admitted that, considering CRCL's test reports, goods imported were Polyurethane-coated fabric, Polyester fabric with PVC backing and Polyester fabric with PA coating, which are grossly mis declared in terms of quantity and classification and are other than the declarations made under import Bill of Entry No. 7838097 dated 17.01.2025. He further confirmed that polyurethane-coated fabric would fall under CTI 59032090, attracting Anti-Dumping Duty of 0.46 USD/Meter when imported from China. He inter alia admitted that the above said Bill of Entry No. 7838097 dated 17.01.2025 has been grossly mis-declared and further assured that he would discharge all his liabilities of Customs duty and/or ADD along with applicable interest and penalty. However, the importer has not voluntarily paid any differential duty till date.

5.2. Summons (CBIC-DIN-202509DDZ1000000BEA1) dated 08.09.2025 was issued to Shri Sandeep Aggarwal for recording of statement on 15.09.2025. ***Shri Sandeep Aggarwal*** presented himself for the recording of statement on 15.09.2025

and during the statement, Shri Sandeep Aggarwal stated that:

i. M/s. GA International, is engaged in business of trading of PA Coated fabric/PVC coated fabric and that fabric is imported as per the requirement of their customers.
ii. He himself handles the business operations of M/s. GA International and all operations such as import, buying of goods and selling of goods are handled by him.
iii. He totally agrees with the contents of panchnama dated 29.01.2025.
iv. He had started import in GA International in the year 2020 and imported around 70-80 containers vide various bills of entry at Mundra SEZ and Dadri ICD. He visits China 3-4 times every year to place new orders and to check the quality of products.
v. He places orders on phone and WhatsApp.
vi. They have majorly placed orders for purchase of PVC Coated fabric and PA Coated fabric. He had confirmed from his supplier regarding finding PU coated fabric in one of the imported containers to which he has assured to have not sent any PU Coated fabric.
vii. He totally agrees with the contents of panchnama dated 29.01.2025.
viii. He has perused the test reports in respect of testing of samples 1 A, 2 A, 3 A, 4 A, 5 A, 6 A, 7A, 8 A and 9 A.
ix. Test report shows that samples 1 A and 6 A are fabrics which are PU-coated which is rightly classifiable under CTI 59032090 which attract anti-dumping duty as per the notification no. 14/2022 dated 20.05.2022. He has imported PVC Coated fabric and PA Coated Fabric however the test report shows fabric to be PU Coated fabric, he contacted his supplier for verifying the same, to which his supplier confirmed to have sent PVC coated fabric and also stated to have used the same chemicals to be used in manufacturing of PVC Coated Fabric.
x. Test reports shows that samples 2A, 7 A & 8A are "Dyed Woven Fabric having designed coating on one side. The base fabric is made of PFY and coating is composed of polymeric material based on Polyvinylchloride (PVC)", which is classifiable under CTI 59031090. He has classified under the same CTI in Bill of entry.
xi. Test report shows samples 3A, 4 A, 5 A and 9 A to be " Printed woven fabric, Polyester filament yarn on both sides, coated with polymeric material based on polyamide" and agreed that goods are rightly classifiable under CTI 59039090. He has declared the correct CTI in Bill of Entry No. 7838097 dated 17.01.2025.
xii. He has perused the Customs Valuation Rules and Annexure-A which is regarding valuation of goods of all types of fabrics found during panchnama. He stated that the valuation appears to be fair and as per the Valuation Rules.
xiii. He has perused the Annexure-B containing duty calculation of all the samples and in the token of having seen and understood the same, he has put his dated signature on the same.

6. Re-classification of Goods:

6.1. Based on the CRCL's Test Report, and an analysis of the Customs Tariff Act, 1975, it is evident that the declared description of imported goods as "Polyester Fabric with PA Coating/ Polyester Fabric with PVC Backing" and its claimed classification under CTI 59039090 / 59031090 in the subject BE are correct, however the importer has also imported PU Coated fabric, which was not declared in the said bill of entry.

6.2. Based on the nature, composition, etc. as reported vide CRCL Test reports and Explanatory Notes of the Chapters 59, these goods merit classification as per details mentioned below:

Table – "7"

Types of Fabric as per Panchanama	Representative Sample sent to CRCL	Actual Description of Goods as per Test Report	Declared Classification	Determined Classification
Type – 1	Sample 1A	Dyed Woven Fabric having coating on side. The base fabric is made of PFY and coating is composed of polymeric material based on Polyurethane (PU)	59039090 / 59031090	59032090
Type – 2	Sample 2A	Dyed Woven fabric having Coating on One Side. The base Fabric is made of polyester filament coating material is composed of Polymeric material based on PVC, thickness 0.41 mm, GSM = 425.71 and Polyester = 41.40%	59039090 / 59031090	59031090
Type – 3	Sample 3A	Printed woven fabric, it is composed of polyester filament yarn on both sides, coated with polymeric material based on polyamide, GSM (as such) = Thickness (as such) = 0.27 mm, Composition of polyester woven fabric =93.89	59039090 / 59031090	59039090
Type – 4	Sample 4A	Printed woven fabric, it is composed of polyester filament yarn on both sides, coated with polymeric material based on polyamide, GSM (as such) = 298.41, Thickness (as such) = 0.32 mm, Composition of polyester woven fabric =89.37	59039090 / 59031090	59039090
Type – 5	Sample 5A	Printed woven fabric, it is composed of polyester filament yarn on both sides, coated with	59039090 / 59031090	59039090

		polymeric material based on polyamide, GSM (as such) = 325.68, Thickness (as such) = 0.33 mm, Composition of polyester woven fabric =86.06		
Type – 6	Sample 6A	White coloured Knitted Fabric having two layers of coating on one side of fabric. The base Knitted fabric is made of polyester filament yarns. One layer of coating is made of polymeric material based on polyurethane which is further laminated with polymeric material based on PVC, GSM (as such) =479.32, Thickness (as such) = 0.67 mm, % Polyester woven fabric %= 25.59, Coating Material based on **polyurethane** =42.61, Coating material based on polyvinylchloride (PVC)	59039090 / 59031090	59032090
Type – 7	Sample 7A	Dyed Woven Fabric having designed coating on side. The base fabric is made of PFY and coating is composed of polymeric material based on Polyvinylchloride (PVC), SM (as such) =603.91, Thickness (as such) = 0.70 mm, % Composition= Polyester woven fabric = 17.45, coating material based on PVC	59039090 / 59031090	59031090
Type – 8	Sample 8A	Dyed Woven Fabric having designed coating on side. The base fabric is made of PFY and coating is composed of polymeric material based on Polyvinylchloride (PVC),	59039090 / 59031090	59031090

		GSM (as such) =590.17, Thickness (as such) = 0.73 mm, % Composition Polyester woven fabric= 19.90.		
Type – 9	Sample 9A	Printed woven fabric, Polyester filament yarn on both sides, coated with polymeric material based on polyamide, GSM (as such) =309.02, Thickness (as such) = 0.37mm, % composition Polyester woven fabric=80.7, coated material based on polyamide.	59039090 / 59031090	59039090

6.2.1. Classification of Type-1 & Type-6 Fabrics

CRCL, Vadodara, vide their test report has stated that the imported fabrics shown as Type-1 & Type-6 in the above table were "Polyurethane (PU) Coated Fabrics". The report specified that the coating is composed of polymeric material based on Polyurethane (PU). The correct classification for "Polyurethane Coated Fabrics" is Customs Tariff Item 59032090, which specifically covers "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02.". As per Chapter Note 2 to Chapter 59 and Explanatory Notes to the HSN, the correct classification of polyurethane-coated fabric is under CTI 59032090.

Furthermore, "Polyurethane (PU) Coated Fabric" originating from China PR is subject to Anti-Dumping Duty (ADD) as per Notification No. 14/2022-Customs (ADD) dated 20.05.2022, which imposes ADD at the rate of 0.46 USD per meter. From the said facts, it is evident that the Importer deliberately misclassified the goods under CTI 59039090 / 59031090, without declaring the PU coating, to evade the applicable Anti-Dumping duty.

6.2.2. Classification of Type-2, Type-7 & Type-8 Fabric

CRCL, Vadodara, vide their test report stated that the imported fabrics shown as Type-2, Type-7 & Type-8, in the above table were " Dyed Woven Fabric having designed coating on side. The base fabric is made of PFY and coating is composed of polymeric material based on Polyvinylchloride (PVC)". The report specified that the coating is composed of Polyvinylchloride (PVC). The correct classification for "Polyvinyl Chloride Coated Fabrics" is Customs Tariff Item 59031090, which specifically covers "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02.". As per Chapter Note 2 to Chapter 59 and Explanatory Notes to the HSN, the correct classification of polyvinyl Chloride coated fabric is under CTI 59031090.

6.2.3. Classification of Type-3, Type-4, Type-5 & Type-9 Fabric

CRCL, Vadodara, vide their test report stated that the imported fabrics shown as Type-3, Type-4, Type-5 & Type-9 Fabric, in the above table were " Printed woven fabric, Polyester filament yarn on both sides, coated with polymeric material based on polyamide". The report specified that the coating is composed of polyamide. The correct classification for "Polyamide Coated Fabrics" is Customs Tariff Item 59039090, which specifically covers "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02.". As per Chapter Note 2 to Chapter 59 and Explanatory Notes to the HSN, the correct classification of PA coated fabric is under CTI 59039090.

7. Undervaluation and revised valuation as per Customs Valuation Rules:

7.1. On scrutiny of the invoice and Bill of Entry No. 7838097 dated 17.01.2025, it was observed that quantities of goods declared in the above Bill of Entry are found to be lesser than actual quantities ascertained during examination under panchnama dated 29.01.2025. The comparison of the quantities of goods declared and the actual quantity of goods found is tabulated as follows:

Table – "8"

Particulars	No. of type of the goods	Total No. of Rolls	Length of each roll	Width of each roll	Total Quantities in SQM
AS PER PANCHANAMA	A	B	C	D	E=B*C*D
	Type -1	976	60 Mtr	1.54 Mtr	90182.4
	Type-2	272	50 Mtr	1.54 Mtr	20944
	Type-3	11	60 Mtr	1.54 Mtr	1016.4
	Type-4	12	45 Mtr	1.5 Mtr	810
	Type-5	12	55 Mtr	1.5 Mtr	990
	Type-6	14	45 Mtr	1.5 Mtr	945
	Type-7	15	45 Mtr	1.5 Mtr	1012.5
	Type-8	13	45 Mtr	1.5 Mtr	877.5
	Type-9	6	50 Mtr	1.5 Mtr	450
	Total	**1331**			**117228**
AS PER BE					**63600**
DIFF. IN QNT					**53628**

7.2. Valuation of goods for assessment to Customs duties is governed by the provisions of Section 14 of the Customs Act, 1962, which provides that the value of

imported goods shall be the transaction value of such 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 other conditions as may be specified in the rules made in this behalf. Further, the Customs Valuation Rules (Determination of Price of imported goods) 2007 (hereinafter referred to as the 'CVR, 2007'), having been framed under the provisions of Section 14, provide for the determination of value in a variety of situations. More specifically, Rule 3 of the CVR, 2007 provides that, subject to Rule 12, the value of the goods shall be the Transaction Value adjusted in accordance with Rule 10.

7.3. From the foregoing, it is apparent that, in the present case, the fabrics actually found upon examination comprise PU Coated Fabric, Polyester Fabric with PA Coating, and Polyester Fabric with PVC Backing. However, the importer has declared only Polyester Fabric with PA Coating and Polyester Fabric with PVC Backing in the Bill of Entry, in line with the descriptions mentioned in the supplier's invoice. Furthermore, the quantity of Polyester Fabric with PA Coating and Polyester Fabric with PVC Backing discovered during the examination does not correspond with the quantity declared in the Bill of Entry. Accordingly, the value declared to the Customs in the respective Bill of Entry appeared not to represent the true Transaction Value of the goods imported. Moreover, the importer has not only grossly misclassified the types of fabrics, but also under-declared the quantities of fabrics, creating reasonable doubt on the truth or accuracy of the declared value of imported fabrics. It is further observed that the CIF value of the declared goods i.e. Polyester Fabric with PA Coating is 0.12 USD/SQM and that of Polyester Fabric with PVC Backing is 0.14 USD/SQM, which is significantly lower than the prevailing international price for similar goods (fabrics found in actual) as per the contemporaneous imports of similar goods. The declared transaction value in the BE is made for Polyester Fabric with PA Coating/ Polyester Fabric with PVC Backing (CTI 59039090 / 59031090); however, actual goods were found to be PU Coated Fabrics, PVC Coated and PA Coated fabrics. Hence, the said transactional value declared in the Bill of Entry appears to have failed the test of acceptability under Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, which mandates that the declared price must reflect the actual price paid or payable. Accordingly, the declared value is liable to be rejected under Rule 12 read with Rule 3(2) due to the absence of genuine, valid commercial documentation.

7.4. Further, Shri Sandeep Aggarwal, Proprietor of M/s GA International, the importer of the impugned goods, although admitting that test report suggesting the goods to be PU Coated (CTI 59032090) which is different from the goods declared in the B.E, did not provide any documents evidencing the true Transaction Value of the imported goods.

7.5. Rule 3 (4) of the CVR 2007 prescribes 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 CVR 2007.

7.6. As per Rule 4 of the CVR, 2007, 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, subject to certain conditions and parameters. To arrive at the value of the goods under Rule 4, the import data of PU

Coated (CTI 59032090), Polyester Fabric with PA Coating (CTI 59039090) and Polyester Fabric with PVC Backing (59031090) imported at or about the same time as the impugned goods, obtained from the ICES, was examined. However, in the absence of the Brand or other details of the impugned goods, identical goods for comparison could not be obtained.

7.7. It was, however, found that there have been several contemporaneous imports of impugned goods of Chinese origin and in comparable quantities during the relevant period. Further, Rule 5 of the CVR, 2007 stipulates that, 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. It, therefore, appeared that in terms of Rule 5 of the CVR 2007, the value of the impugned goods was liable to be re-determined at the lowest value at which such contemporaneous imports of similar goods were noticed. However, in the subject case, the details of contemporary imports (Jan 2025 in this case) of seaports and ICDs were taken into consideration, wherein similar goods as per description, imported from China were found. Same supplier data was found in respect of goods with description "Polyester Fabric with PA Coating (CTI 59039090)/ Polyester Fabric with PVC Backing (59031090)" and same has been considered for the purpose of valuation. However, in respect of description of goods "PU Coated Fabric" same supplier data was not found and also similar quantity of the goods was not found, hence weighted average of the bills was taken into consideration. Details of such imports of similar goods are enclosed as Annexure A to notice.

7.8. Therefore, in terms of the provisions of Rule 5 of the CVR, 2007, value of PU Coated (CTI 59032090), Polyester Fabric with PA Coating (CTI 59039090) and Polyester Fabric with PVC Backing (59031090) imported under the Bill of Entry no. 7838097 dated 17.01.2025, was re-determined by considering the contemporaneous imports of similar goods.

7.9. In his statement dated 15.09.2025, the importer stated that he had perused Annexure-A regarding the valuation of all types of fabrics imported via the said container and had understood the Customs Valuation Rules. He further affirmed that the valuation appeared to have been carried out in accordance with the said Rules.

8. Revised Quantification of Assessable Value and duties/taxes Thereon

8.1. Revised Quantification under Rule 4 & Rule 5

Considering the above, liabilities in respect of the imported goods have been quantified, as below:

Table-9

	Sample 1	Sample 2	Sample 3	Sample 4	Sample 5	Sample 6	Sample 7	Sample 8	Sample 9	Total	Duty Paid in B. E	Duty Difference
Ass. Value	6671941	439143	17750	14145	17289	69914	21230	18399	7859	7277669		
BCD	1334388	87829	3550	2829	3458	13983	4246	3680	1572	1455534	138311	1317222
SWS	133439	8783	355	283	346	1398	425	368	157	145553	13831	131722

Anti-Dumping Duty	2346265	0	0	0	0	25242	0	0	0	2371507		2371507
Ass. Value (for IGST)	10486033	535755	21655	17257	21092	110536	25900	22447	9587	11250262		
IGST	1258324	64291	2599	2071	2531	13264	3108	2694	1150	1350031	101244	1248788
Total Duty	5072416	160902	6504	5183	6335	53887	7779	6741	2879	5322625	253386	5069239

The detailed duty calculation is enclosed as Annexure-B

8.2. This undervaluation, in tandem with misclassification and concealment of PU coating, clearly points to the fraudulent intent of the importer to evade Basic Customs Duties, including Anti-Dumping Duty, thereby causing loss to Government Revenue.

9. Legal Provisions

9.1. Section 17 of the Customs Act, 1962

17. Assessment of duty. – (1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.
…….
(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

9.2. Section 46 of the Customs Act, 1962:

46. Entry of goods on importation. – (1) The importer of any goods, other than goods intended for transit or transshipment, shall make entry thereof by presenting 4[electronically] 5[on the customs automated system] to the proper officer a bill of entry for home consumption or warehousing 6[in such form and manner as may be prescribed]:

9.3. Section 110 of the Customs Act, 1962

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

9.4. **Section 111 of the Customs Act, 1962**

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

…….

(m) any goods which do not correspond in respect of value or in any other particular] with the entry made under this Act or in the case of baggage with the declaration made under section 77 3[in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54;

9.5. **Section 112 of the Customs Act, 1962**

112. Penalty for improper importation of goods, etc. — Any person, —
(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or
(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

shall be liable, —

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

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher: Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;]

(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty 3[not exceeding the difference between the declared value and the value thereof or five thousand rupees], whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty 4[not exceeding the value of the goods or the difference between the declared value and the

value thereof or five thousand rupees], whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty 5[not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest.

9.6. **Section 114AA of the Customs Act, 1962**

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

9.7. **Section 124 of the Customs Act, 1962**

124. Issue of show cause notice before confiscation of goods, etc. – No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person –
(a) is given a notice in writing with the prior approval of the officer of Customs not below the rank of 2[an Assistant Commissioner of Customs], informing] him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;
(b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and
(c) is given a reasonable opportunity of being heard in the matter:

Provided that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned, be oral. 3 [Provided further that notwithstanding the issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.]

9.8. **Section 125 of the Customs Act, 1962**

125. Option to pay fine in lieu of confiscation. – (1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods 4[or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit:

Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that

section in respect of the goods which are not prohibited or restricted, the provisions of this section shall not apply:

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

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

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

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

10. From the foregoing investigation, it appeared that

10.1. In terms of Section 17 of the Customs Act, 1962, an importer entering any imported goods under Section 46 is required to self-assess the duty leviable on such goods. However, in the present case, the importer, M/s GA International, has failed to correctly assess the duty leviable on PU coated fabrics, PVC coated fabric, and PA coated fabric—each classifiable under distinct Customs Tariff Items (CTIs). The importer has resorted to mis-declaration with respect to quantity and composition, and has concealed PU coated fabric, thereby evading the applicable anti-dumping duty as well as other customs duties.

10.2. The importer, by declaring the goods as "Polyester Fabric with PA Coating/Polyester Fabric with PVC Backing" and classifying them under CTI 59039090 / 59031090, has knowingly and deliberately misrepresented the true nature of the imported fabrics; with the intent to conceal the import of PU coated fabric under the guise of PA coated fabric and PVC backing fabric. Furthermore, the quantity of Polyester Fabric with PA Coating and Polyester Fabric with PVC Backing found in actual are different from the quantity declared in Bill of Entry. This mis-declaration of goods in the Bill of Entry is a contravention of Section 46 of the Customs Act, 1962. The consequent willful misclassification of fabrics under CTI 59039090 / 59031090 was not merely an error but a conscious act to avoid the higher rate of Basic Customs Duty applicable to the actual imported fabrics and, crucially, to also evade the Anti-Dumping Duty imposed vide Notification No. 14/2022-Customs (ADD) dated 20.05.2022 on PU Coated Fabrics originating from

China. Also, this demonstrates an intent to evade legally applicable duties. The pattern of mis-declaration and misclassification across the said consignment, coupled with the substantial duty difference, including ADD, indicates a clear mens-rea and an active intention on the part of the Importer to defraud the revenue. The importer, as an experienced entity in the import trade, is expected to exercise due diligence in ascertaining the correct description and classification of their imports. The willful act of the importer has resulted in short/non-levy of applicable customs duties/ADD/other taxes, which appear to be liable for recovery from the importer.

10.3. By mis declaring both the quantity and description of the goods with the intent to conceal the import of PU coated fabric and misclassifying the PU Coated fabric as Polyester Fabric with PA Coating / Polyester Fabric with PVC Backing and also by mis declaring the quantity and value of Polyester Fabric with PA Coating / Polyester Fabric with PVC Backing, importer had tried to evade applicable customs duty. This act of the importer is contrary to the provisions of the Customs Act-1962 and has made the imported goods liable for confiscation under Section 111(m) of the Customs Act, 1962,

10.4 M/s GA INTERNATIONAL imported fabrics from China by intentionally mis-declaring the quantity and description of the goods with declared description Polyester Fabric with PA Coating / Polyester Fabric with PVC Backing with an intent to conceal PU coated fabric. Such acts of omission and commission appeared to have rendered the goods liable for confiscation under 111(m) of the Customs Act 1962. Hence, this has made importer liable for penalty under Section 112(a) &(b) of the Customs Act, 1962. These actions of the Importer amount to deliberate mis-statement and suppression of facts with intent to evade duty, making them liable for penalty under Section 112(a) & (b) of the Customs Act, 1962, for doing any act which renders the goods liable to confiscation.

10.5 Consequent upon the amendment to Section 17 of the Customs Act, 1962 vide Finance Act, 2011, 'Self-Assessment' has been introduced in Customs. Section 17 of the Customs Act, effective from 8.4.2011, provides for self-assessment of duty on imported goods by the importer himself by filing a Bill of Entry in electronic form. Section 46 of the Customs Act, 1962, makes it mandatory for the importer to make an entry for the imported goods by presenting a Bill of Entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011 (issued under Section 157 read with Section 46 of the Customs Act, 1962) the Bill of Entry shall be deemed to have been filed and self-assessment of duty completed when, after entry of the electronic declaration (which is defined as particulars relating to the imported goods that are entered in the Indian Customs Electronic Data Interchange System) in the Indian Customs Electronic Data Interchange System either through ICEGATE or by way of data entry through the service center, a Bill of Entry number is generated by the Indian Customs Electronic Data Interchange System for the said declaration. Thus, under self-assessment, it is the importer who must ensure that he declares the correct

classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of Entry. Thus, with the introduction of self-assessment by amendments to Section 17, since 8th April, 2011, it is the added and enhanced responsibility of the importer to declare the correct description, value, notification, etc. and to correctly classify, determine and pay the duty applicable in respect of the imported goods.

In the instant case, M/s GA International imported fabrics from China by intentionally mis-declaring the description of the goods as "Polyester Fabric with PA Coating / Polyester Fabric with PVC Backing" has also resorted to mis-declaration of facts with intent to evade applicable duty of Customs, as discussed in foregoing paras. This act of mis-declaration has led imported goods liable for confiscation under Section 111(m) and hence, the importer is liable for penalty under Section 112(a) & (b) of the Customs Act, 1962.

10.6. Shri Sandeep Aggarwal, Proprietor of M/s GA International (IEC: 0513000771) appears to have indulged in presenting documents falsifying the identity of the goods, before the Customs authorities for import of the goods. Thus, importer has knowingly and intentionally made a declaration under the Bill of Entry filed under Section 46 of the Customs Act 1962, which is false and incorrect. Hence, importer has rendered himself liable to penalty under the Section 114AA of the Customs Act 1962.

11. Accordingly, Show Cause Notice No. 133/2025-26/ADC/ZDC/MCH was issued to the importer M/s. GA International (IEC: 0513000771) calling upon it to show cause as to why:

(i) The goods imported vide Bill of Entry No. 7838097 dated 17.01.2025 — namely PU Coated Fabrics imported by way of concealment (total quantity 91,127.4 SQM comprising 990 rolls) and "Polyester Fabric with PA Coating / Polyester Fabric with PVC Backing" (total quantity 26,100 SQM comprising 341 rolls), which were found to have been mis-declared in terms of quantity and value and were seized vide Seizure Memo dated 13.03.2025, should not be re-assessed under Section 17 of the Customs Act, 1962 by re-classifying the same under the correct CTI 59032090 (PU Coated Fabric) / 59039090 (PA Coated Fabric) / 59031090 (PVC Coated Fabric), in place of the declared CTH 59039090 / 59031090, and the applicable duties as detailed in Annexure-B should not be demanded accordingly;

(ii) The declared assessable value of Rs. 6,91,557/- (Rupees Six Lakh Ninety-One Thousand Five Hundred and Fifty-Seven only) should not be rejected and the goods should not be re-assessed at Rs. 72,77,669/- (Rupees Seventy-Two Lakh Seventy-Seven Thousand Six Hundred and Sixty-Nine only) in terms of Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, as detailed in Annexure-A to the notice;

(iii) The differential duty amounting to Rs. 50,69,239/- (Rupees Fifty Lakh Sixty-Nine Thousand Two Hundred and Thirty-Nine only), as detailed in Annexure-B and arrived at after re-determination of value as given in Annexure-A and re-classification of goods based on test reports, should not be demanded from the importer;

(iv) The seized goods, i.e., PU Coated Fabric, PA Coated Fabric and PVC Coated Fabric (total quantity 1,17,228 SQM comprising 1,331 rolls) with re-determined value of Rs. 72,77,669/- (Rupees Seventy-Two Lakh Seventy-Seven Thousand Six Hundred and Sixty-Nine only), seized vide Seizure Memo dated 13.03.2025, should not be confiscated under Section 111(m) of the Customs Act, 1962;

(v) Penalty should not be imposed on M/s. GA International under Section 112(a) and (b) of the Customs Act, 1962;

(vi) Penalty should not be imposed on Shri Sandeep Aggarwal, Proprietor of M/s. GA International, under Section 114AA of the Customs Act, 1962.

PERSONAL HEARING AND WRITTEN SUBMISSIONS

12. The importer M/s. GA International vide their letter dated 26.05.2026 has submitted the following:

> *"…… we would like to submit that the subject Bill of Entry filed by us was held for further investigation purposes. We understand that the investigation has now been completed and the case file has been put up for adjudication.*
>
> *In this regard, we respectfully request your good office to kindly waive the Personal Hearing in the matter and decide the case on merits. We hereby undertake to abide by the decision passed by your good office.*
>
> *Your kind and lenient consideration in this regard will be highly appreciated."*

DISCUSSION AND FINDINGS

13. I have carefully gone through Show Cause Notice No. 133/2025-26/ADC/ZDC/MCH dated 04.12.2025, and all the documentary evidence available on record. The noticee was given opportunity of personal hearing on 04.02.2026, 24.02.2026 and 18.03.2026, which was not availed. Subsequently, M/s GA International, vide their letter dated 26.05.2026, has waived the right to Personal Hearing and requested that the matter be decided on merits. Thus, I find that the principles of natural justice as provided in Section 122A of the Customs Act, 1962 have been duly complied with and I proceed to decide the case on the basis of documentary evidence available on record. The issues to be decided by me are:

(i) Whether the goods imported vide Bill of Entry No. 7838097 dated 17.01.2025 — namely PU Coated Fabrics imported by way of concealment (total quantity 91,127.4 SQM comprising 990 rolls) and "Polyester Fabric with PA Coating / Polyester Fabric with PVC Backing" (total quantity 26,100 SQM comprising 341 rolls), which were found to have been mis-declared in terms of quantity and value and were seized vide Seizure Memo dated 13.03.2025, are liable to be re-assessed under Section 17 of the Customs Act, 1962 by re-classifying the same under the

correct CTI: 59032090 (PU Coated Fabric) / 59039090 (PA Coated Fabric) / 59031090 (PVC Coated Fabric), in place of the declared CTH 59039090 / 59031090, and the applicable duties as detailed in Annexure-B are demanded accordingly;

(ii) Whether the declared assessable value of **Rs. 6,91,557/-** (Rupees Six Lakh Ninety-One Thousand Five Hundred and Fifty-Seven only) is liable to be rejected under Rule 12 of CVR, 2007 and the goods are liable to be re-assessed at **Rs. 72,77,669/-** (Rupees Seventy-Two Lakh Seventy-Seven Thousand Six Hundred and Sixty-Nine only) in terms of Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007;

(iii) Whether the differential duty amounting to **Rs. 50,69,239/-** (Rupees Fifty Lakh Sixty-Nine Thousand Two Hundred and Thirty-Nine only), as detailed in Annexure-B and arrived at after re-determination of value as given in Annexure-A and re-classification of goods based on test reports, is liable to be demanded from the importer;

(iv) Whether the seized goods, i.e., PU Coated Fabric, PA Coated Fabric and PVC Coated Fabric (total quantity 1,17,228 SQM comprising 1331 rolls) with re-determined value of **Rs. 72,77,669/-** (Rupees Seventy-Two Lakh Seventy-Seven Thousand Six Hundred and Sixty-Nine only), seized vide Seizure Memo dated 13.03.2025, are liable for confiscation under Section 111(m) of the Customs Act, 1962;

(v) Whether penalty is imposable on M/s GA International under Section 112(a) and (b) of the Customs Act, 1962;

(vi) Whether penalty is imposable on Shri Sandeep Aggarwal, Proprietor of M/s GA International, under Section 114AA of the Customs Act, 1962.

14.1 Regarding the first issue, I find that the goods imported by M/s GA International vide SEZ Bill of Entry No. 7838097 dated 17.01.2025 were declared as "Polyester Fabric with PA Coating" under CTI 59039090 and "Polyester Fabric with PVC Backing" under CTI 59031090, with a declared total quantity of 63,600 SQM (1,331 rolls) as detailed in Table-1 and Table-2, supra. Representative samples of each of the nine types of fabrics found during examination under Panchnama dated 29.01.2025 were forwarded to CRCL, Vadodara vide Test Memos No. 25 to 33/G A INTERNATIONAL/7838097 for laboratory testing and analysis.

14.2 CRCL, Vadodara, vide their Test Reports No. RCL/DRI/AH/IMP/6413 to 6421/10.02.2025 dated 21.02.2025 to 03.03.2025, has determined that:

(a) **Type-1 and Type-6 fabrics** (976 and 14 rolls respectively, totalling 91,127.4 SQM) — declared as "Polyester Fabric with PA Coating / PVC Backing" under CTI 59039090/59031090 — are in fact "Dyed/Knitted Woven Fabric having coating composed of polymeric material based on **Polyurethane (PU)**", correctly classifiable under **CTI 59032090**. These goods were not declared at all in the Bill of Entry, having been concealed under the guise of declared goods;

(b) **Type-2, Type-7 and Type-8 fabrics** (272, 15 and 13 rolls respectively, totalling 22,834 SQM) are "Dyed Woven Fabric having coating composed of polymeric material based on **Polyvinylchloride (PVC)**", correctly classifiable under **CTI 59031090** — same as declared, but grossly under-declared in quantity;

(c) **Type-3, Type-4, Type-5 and Type-9 fabrics** (11, 12, 12 and 6 rolls respectively, totalling 3,266.4 SQM) are "Printed Woven Fabric composed of Polyester Filament Yarn coated with polymeric material based on **Polyamide**", correctly classifiable under **CTI 59039090** — same as declared, but grossly under-declared in quantity.

14.3 I find that Shri Sandeep Aggarwal, Proprietor of M/s GA International, in his statement dated 04.04.2025, on being confronted with the Panchnama dated 29.01.2025 and the CRCL test reports, has admitted that the goods imported were Polyurethane-coated fabric, PVC-backed fabric and PA-coated fabric, which are grossly mis-declared in terms of quantity and classification vis-à-vis the declarations made under BE No. 7838097 dated 17.01.2025. He further confirmed that Polyurethane-coated fabric is correctly classifiable under CTI 59032090, attracting Anti-Dumping Duty @ 0.46 USD per meter under Notification No. 14/2022-Customs (ADD) dated 20.05.2022. In his subsequent statement dated 15.09.2025, he once again agreed with the contents of the Panchnama and confirmed the correctness of the CRCL test reports and the classification of all nine fabric types as proposed in the SCN.

14.4 Classification of goods under the Customs Tariff Act, 1975 is a matter of law determined by the nature and character of the goods as established upon examination and laboratory testing, and not by the description given by the supplier in commercial invoices. The CRCL test reports conclusively establish the true nature of the imported goods. Accordingly, the declared classification of goods as "Polyester Fabric with PA Coating / Polyester Fabric with PVC Backing" under CTI 59039090 / 59031090 is incorrect in respect of the PU Coated Fabrics found (Types 1 and 6), which merit classification under CTI 59032090.

14.5 In view of the above, I hold that the goods imported vide Bill of Entry No. 7838097 dated 17.01.2025 are liable to be re-assessed under Section 17(4) of the Customs Act, 1962 by re-classifying them under the correct CTI as determined by CRCL, Vadodara, namely **CTI 59032090** (PU Coated Fabric), **CTI 59031090** (PVC Coated Fabric) and **CTI 59039090** (PA Coated Fabric), as detailed in **Table-7**, supra.

14.6 I further hold that PU Coated Fabric classifiable under CTI 59032090 and originating from China is subject to Anti-Dumping Duty @ 0.46 USD per meter in terms of Notification No. 14/2022-Customs (ADD) dated 20.05.2022. The deliberate misdeclaration of PU Coated Fabric under CTI 59039090/59031090, which attracts no Anti-Dumping Duty, was a conscious act to evade this additional duty liability. Accordingly, Anti-Dumping Duty of Rs. 23,71,507/- as detailed in Annexure-B to the SCN is correctly leviable on the impugned goods.

15.1 Regarding the second issue of rejection of the declared assessable value, I find that valuation of imported goods is governed by the provisions of Section 14 of the

Customs Act, 1962 read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (CVR, 2007). The declared CIF value in the Bill of Entry was **Rs. 6,91,557/-** for "Polyester Fabric with PA Coating" @ 0.12 USD/SQM and "Polyester Fabric with PVC Backing" @ 0.14 USD/SQM – covering only 63,600 SQM as declared.

15.2 I find that the actual goods found upon examination under Panchnama dated 29.01.2025 comprised PU Coated Fabrics, PVC Coated Fabrics and PA Coated Fabrics, totalling 1,17,228 SQM, exceeding the declared quantity by 53,628 SQM. Furthermore, PU Coated Fabric totalling 91,127.4 SQM (comprising 990 rolls of Types 1 and 6) was not declared in the Bill of Entry at all. The declared transaction value, being the value of a different description of goods, declared at significantly depressed unit prices, cannot be held to represent the true transaction value of the goods actually found and imported. The mis-declaration of description, concealment of PU Coated Fabric, and gross under-declaration of quantities together create a reasonable doubt as to the truth or accuracy of the declared value within the meaning of Rule 12 read with Rule 3(2) of CVR, 2007. Accordingly, the declared transaction value of **Rs. 6,91,557/-** is liable to be rejected.

15.3 In terms of Rule 3(4) of CVR, 2007, the value is to be determined by proceeding sequentially through Rules 4 to 9. I find from the SCN that in the absence of brand or other specific details of the impugned goods, identical goods for comparison could not be found for application of Rule 4 of CVR, 2007. However, contemporaneous imports of similar goods (PU Coated Fabric under CTI 59032090, PVC Coated Fabric under CTI 59031090, and PA Coated Fabric under CTI 59039090) of Chinese origin, imported during January 2025 at various seaports and ICDs, have been considered. For PA Coated and PVC Coated fabrics, contemporaneous import data of the same supplier has been considered; for PU Coated fabric, a weighted average of contemporaneous imports of similar goods has been adopted, as detailed in Annexure-A to the SCN.

15.4 I further find that Shri Sandeep Aggarwal, in his statement dated 15.09.2025, specifically confirmed that he had perused Annexure-A regarding the valuation of all fabric types imported via the said container and had understood the Customs Valuation Rules, and further affirmed that the valuation appeared to have been carried out in accordance with the said Rules. This constitutes a clear admission of the correctness of the re-determined value by the proprietor himself.

15.5 In view of the above, I hold that the declared assessable value of **Rs. 6,91,557/-** (Rupees Six Lakh Ninety-One Thousand Five Hundred and Fifty-Seven only) is liable to be rejected under Rule 12 read with Rule 3(2) of CVR, 2007, and the goods are liable to be re-assessed at **Rs. 72,77,669/-** (Rupees Seventy-Two Lakh Seventy-Seven Thousand Six Hundred and Sixty-Nine only) in terms of Rule 5 of CVR, 2007.

16.1 Regarding the third issue of differential duty arising upon re-classification and re-valuation of the imported goods, I find that consequent upon re-classification and re-valuation as held above, the applicable customs duties on the goods have

been re-determined. The total differential duty on the imported goods works out to **Rs. 50,69,239/-** (Rupees Fifty Lakh Sixty-Nine Thousand Two Hundred and Thirty-Nine only), comprising BCD of Rs. 13,17,222/-, SWS of Rs. 1,31,722/-, Anti-Dumping Duty of Rs. 23,71,507/- and IGST of Rs. 12,48,788/-, as detailed in Annexure-B to the SCN.

16.2 The importer has not filed any written reply despite three personal hearing opportunities granted on 04.02.2026, 24.02.2026 and 18.03.2026, and has subsequently vide letter dated 26.05.2026 waived the Personal Hearing requesting adjudication on merits. The computation of differential duty as detailed in Annexure-B to the SCN was perused and agreed to by Shri Sandeep Aggarwal in his statement dated 15.09.2025.

16.3 In view of the above, I hold that consequent upon re-assessment under Section 17(4) of the Customs Act, 1962 as held above, the differential duty of **Rs. 50,69,239/-** (Rupees Fifty Lakh Sixty-Nine Thousand Two Hundred and Thirty-Nine only) as detailed in Annexure-B to the SCN is liable to be demanded and recovered from M/s GA International.

17.1 Regarding the fourth issue of confiscation of the seized goods, I find that the imported goods were found to be mis-declared both in terms of their description/nature and quantity, as conclusively established by the CRCL, Vadodara test reports and the Panchnama dated 29.01.2025. The goods declared as "Polyester Fabric with PA Coating / Polyester Fabric with PVC Backing" under CTI 59039090 / 59031090 were found to contain, in substantial measure, PU Coated Fabrics correctly classifiable under CTI 59032090, which attract Anti-Dumping Duty @ 0.46 USD per meter under Notification No. 14/2022-Customs (ADD) dated 20.05.2022. Further, PU Coated Fabrics of 91,127.4 SQM (990 rolls) were not declared in the Bill of Entry at all, having been concealed under the guise of the declared goods. The mis-declaration of the description, nature and quantity of goods clearly renders the goods liable for confiscation under Section 111(m) of the Customs Act, 1962.

17.2 I hold that the seized goods i.e., PU Coated Fabric, PA Coated Fabric and PVC Coated Fabric totalling 1,17,228 SQM (comprising 1,331 rolls) with re-determined assessable value of **Rs. 72,77,669/-**, seized vide Seizure Memo F. No. DRI/AZU/CI-1/Misc-1/2025 dated 13.03.2025, are liable for confiscation under Section 111(m) of the Customs Act, 1962.

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

> *"Wherever confiscation of any goods is authorized by this Act, the officer adjudicating it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall in the case of any other goods, give to the owner of the goods, or, where such owner is not known, the person from whose possession or custody*

such goods have been seized, an option to pay in lieu of confiscation such fine as the said officer thinks fit."

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

18.1 Regarding the fifth issue of proposed penalties on M/s GA International, I find that Section 112(a) of the Customs Act, 1962 provides for penalty on any person who does or omits to do any act which renders the goods liable to confiscation under Section 111, or abets the same. Section 112(b) provides for penalty on any person who acquires possession of or is in any way concerned in any manner in dealing with goods which he knows or has reason to believe are liable to confiscation.

18.2 I find that M/s GA International has imported goods from China by deliberately mis-declaring their description as "Polyester Fabric with PA Coating / Polyester Fabric with PVC Backing" under CTI 59039090 / 59031090, when the container in fact predominantly contained PU Coated Fabrics attracting Anti-Dumping Duty, which were not declared in the Bill of Entry at all. The importer has further under-declared the quantities of even those goods whose types were correctly declared. The concealment of 990 rolls of PU Coated Fabric, which constituted the bulk of the consignment, coupled with the deliberate adoption of a lower-duty heading to evade Anti-Dumping Duty, clearly establishes mens rea on the part of the importer. These acts have rendered the goods liable to confiscation under Section 111(m) of the Customs Act, 1962, and accordingly, penalty under **Section 112(a)(ii)** of the Customs Act, 1962 is imposable on M/s GA International. I further find that simultaneous imposition of penalty under both Section 112(a) and Section 112(b) in respect of the same act would amount to double penalty for the same offence, and accordingly I refrain from imposing penalty under Section 112(b) of the Customs Act, 1962.

19.1 Regarding the sixth issue of proposed penalty under Section 114AA of the Customs Act, 1962 on Shri Sandeep Aggarwal, Proprietor of M/s GA International, I find that this provision requires that a person 'knowingly or intentionally' makes, signs or uses any declaration, statement or document which is false or incorrect in any material particular. I find that Shri Sandeep Aggarwal is the Proprietor of M/s GA International and, by his own admission in his statements dated 04.04.2025 and 15.09.2025, he himself handles all business operations including import, buying and selling of goods, and visits China 3-4 times per year to place orders and check product quality. The Bill of Entry No. 7838097 dated 17.01.2025 was filed declaring goods as "Polyester Fabric with PA Coating / PVC Backing" under CTI 59039090/59031090 when the container predominantly contained undeclared PU Coated Fabrics attracting higher duties including Anti-Dumping Duty.

19.2 I find that Shri Sandeep Aggarwal has himself admitted in his statement dated

04.04.2025 that the Bill of Entry was grossly mis-declared and assured payment of all customs duty, ADD and interest. Despite such admission, no voluntary payment has been made. The deliberate suppression of the true nature of the goods, specifically the concealment of PU Coated Fabrics under the guise of "Polyester Fabric with PA Coating / PVC Backing" establishes that the declarations made in the Bill of Entry were false and incorrect in material particulars, made knowingly and intentionally with a view to evade the applicable customs duties including Anti-Dumping Duty. The element of knowledge and intent as required under Section 114AA of the Customs Act, 1962 is thus clearly established from the facts and circumstances of this case. Accordingly, Shri Sandeep Aggarwal has rendered himself liable to penalty under Section 114AA of the Customs Act, 1962.

ORDER

20. In view of the foregoing Discussion and Findings, I pass the following Order:

(i) I hold that the goods imported vide Bill of Entry No. 7838097 dated 17.01.2025 are liable to be re-assessed under Section 17(4) of the Customs Act, 1962. Accordingly, the said goods are re-classified under CTI **59032090** (PU Coated Fabric), CTI **59031090** (PVC Coated Fabric) and CTI **59039090** (PA Coated Fabric) in place of the declared CTH 59039090 / 59031090, as detailed in **Table-7**, supra;

(ii) I hold that the declared assessable value of **Rs. 6,91,557/-** (Rupees Six Lakh Ninety-One Thousand Five Hundred and Fifty-Seven only) is rejected under Rule 12 read with Rule 3(2) of CVR, 2007 and the goods are re-assessed at **Rs. 72,77,669/-** (Rupees Seventy-Two Lakh Seventy-Seven Thousand Six Hundred and Sixty-Nine only) in terms of Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007;

(iii) Consequent upon re-assessment under Section 17(4) of the Customs Act, 1962 as held above, the differential duty of **Rs. 50,69,239/-** (Rupees Fifty Lakh Sixty-Nine Thousand Two Hundred and Thirty-Nine only) as detailed in Annexure-B to the SCN, is demanded and recovered from M/s GA International;

(iv) I hold that the seized goods i.e., PU Coated Fabric, PA Coated Fabric and PVC Coated Fabric totalling 1,17,228 SQM (comprising 1,331 rolls), with re-determined assessable value of **Rs. 72,77,669/-** (Rupees Seventy-Two Lakh Seventy-Seven Thousand Six Hundred and Sixty-Nine only), are liable for confiscation under Section 111(m) of the Customs Act, 1962. However, I give an option to M/s GA International to redeem the said goods on payment of Redemption Fine of **Rs. 7,00,000/-** (Rupees Seven Lakh Only) under Section 125 of the Customs Act, 1962;

(v) I impose a penalty of **Rs. 5,00,000/-** (Rupees Five Lakh Only) on M/s GA International under Section 112(a)(ii) of the Customs Act, 1962;

(vi) I impose a penalty of **Rs. 50,000/-** (Rupees Fifty Thousand Only) on Shri Sandeep Aggarwal, Proprietor, M/s GA International under Section 114AA of the Customs Act, 1962;

(vii) I refrain from imposing penalty under Section 112(b) of the Customs Act, 1962 on M/s GA International as discussed in para 18.2, supra.

21. This order is issued without prejudice to any other action that may be taken against the importer/noticee or any other person(s) under the provisions of the Customs Act, 1962 and rules/regulations framed thereunder or any other law for the time being in force in the Republic of India.

22. Show Cause Notice No. 133/2025-26/ADC/ZDC/MCH dated 04.12.2025 stands disposed of in the above terms.

Digitally signed by Dipakbhai Zala
Date: 29-05-2026 18:35:31

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

To,

1. M/s. GA International (IEC: 0513000771)
Ground and Second Floor, 31, Rani Jhansi Road,
Blue Dart, Delhi – 110 055

2. Shri Sandeep Aggarwal, Proprietor of M/s. GA International,
Ground and Second Floor, 31, Rani Jhansi Road,
Blue Dart, Delhi – 110 055

Copy to:

1. The Additional Director General, DRI, Ahmedabad
2. The Deputy Commissioner, Review, Customs House, Mundra
3. The Deputy Commissioner, TRC, Custom House, Mundra
4. The Deputy Commissioner, EDI, Custom House, Mundra
5. The Deputy Commissioner, APSEZ, Mundra
6. Guard File