	सीमा शुल्क के प्रधान आयुक्त का कार्यालय **सीमा शुल्क सदन, मुंद्रा, कच्छ, गुजरात** **OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS** **CUSTOMS HOUSE, MUNDRA, KUTCH, GUJARAT** Email-adj-mundra@gov.in	

A	**FILE NO.** फ़ाइल संख्या	GEN/ADJ/ADC/1070/2026-Adjn-O/o Pr. Commr-Cus-Mundra
B	**OIO NO.** आदेश संख्या	MCH/ADC/ZDC/264/2026-27
C	**PASSED BY** जारीकर्ता	**Dipak Zala,** Additional Commissioner of Customs/अपर आयुक्त सीमा शुल्क, Custom House, Mundra/कस्टम हाउस, मुंद्रा।
D	**DATE OF ORDER** आदेश की तारीख	21.08.2026
E	**DATE OF ISSUE** जारी करने की तिथि	21.08.2026
F	**SCN No. & Date** कारण बताओ नोटिस क्रमांक	Waived.
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	(i) M/s Elite Enterprise (IEC No. CRWPB9517Q)

1. यह 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 आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा128 के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते परअपील कर सकताहै-

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

"सीमाशुल्कआयुक्त (अपील,
चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,
नवरंगपुरा,अहमदाबाद 380 009"
"THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA
HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN ROAD,
NAVRANGPURA, AHMEDABAD-380 009."

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

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

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

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

(i) उक्त अपील की एक प्रति और A copy of the appeal, and

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

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

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

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

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

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

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

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

BRIEF FACTS OF THE CASE

1.1 Specific intelligence was developed that M/s Elite Enterprise situated at office No. 342, Third Floor, Vardhman Diamond Plaza, Paharganj, Motia Khan, Delhi – 110055 holding IEC No. CRWPB9517Q (hereinafter referred as "the Importer" for sake of brevity) was importing fabrics of Chinese origin by mis-declaring the description, quantity and value and also mis-classify the CTI of the imported goods with an intent to evade applicable Customs duties.

1.2 Acting upon the said intelligence, scrutiny of import documents, Bills of Entry, pertaining to imports made by M/s Elite Enterprise was undertaken. The following Bills of Entry filed by M/s. Elite Enterprise were put on hold on 28.02.2026.

TABLE - A

Sr. No.	Bill of Entry No.	Date	Declared Description	Declared CTH
1	7778893	27.02.2026	Polyester Fabric with PVC Coated Width (58"+/-10%)	59031090
2	7779729	27.02.2026	Polyester Fabric with PVC Coated Width (58"+/-10%)	59039090

2. EXAMINATION OF GOODS

2.1 The goods imported vide the above referred two Bills of Entry No. 7778893 and 7779729 both dated 27.02.2026 were examined by the officers of Directorate of Revenue Intelligence, Ahmedabad Zonal Unit, Ahmedabad on 20.03.2026 **(RUD-01)** under panchnama at warehouse facility of M/s. Shoolin Trade Link LLP, Mundra. During the examination proceeding, it was found that

the goods presented for examination imported vide Bills of Entry No. 7778893 and 7779729 both dated 27.02.2026, were found prima-facie mis-declared with respect to their description. Accordingly, during the examination under panchnama proceeding dated 20.03.2026, representative samples were drawn to analyze the exact nature of the fabric. Further, it was also seen that the quantity of imported goods found during examination was in excess of the declared quantity (in SQM) in these two Bills of Entry.

2.2 During the examination under panchnama dated 20.03.2026, representative samples were drawn from both the containers covered under these two Bills of Entry. One representative sample from each container was drawn and marked as "7778893/A-1" in respect of BE No. 7778893 dated 27.02.2026 and "7779729/A-1" in respect of Bill of Entry No. 7779729 dated 27.02.2026.

3. TESTING OF REPRESENTATIVE SAMPLES

3.1 Both the representative samples, drawn and marked as "7778893/A-1" in respect of BE No. 7778893 dated 27.02.2026 and "7779729/A-1" in respect of Bill of Entry No. 7779729 dated 27.02.2026, were sent to the Laboratories, Textile Committee, Mumbai for testing/determination of

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

- Microscopic examination of yarn composition and fabric construction;

3.2 The Laboratory, Textile Committee, Mumbai submitted their following test reports **(RUD-02 & 03)** on the basis of the tested parameters.

TABLE - B

Sr. No.	Bill of Entry No.	Date	Test Report No. and date
1	7778893	27.02.2026	0153032526-3254 (in Part I and II) dated 16.04.2026
2	7779729	27.02.2026	0153032526-3253 (in Part I and II) dated 16.04.2026

3.3 At Part I of both the Test Report dated 16.04.2026, the Laboratory, Textile Committee, Mumbai had informed that the presence of dyes prohibited by the Government of India under Section 6(2) (D) of the Environment (Protection) Act, 1986 (29 of 1986) read with Rule 13 of the Environment (Protection) Rules, 1986 vide Notification S.O. 108(E) dated 30.01.1990 and SO 243(E) dated 25.03.1997 were not detected.

3.4 Further, at Part II of the test results, the Laboratories, Textile Committee reported on the parameters tested by them. Based on the tested results, the description of the goods was found to be "Dyed woven polyester filament fabric containing textured filament yarn with 4.0% elastomeric yarn (polyurethane)" in respect of Bill of Entry No. 7778893 dated 27.02.2026 and "Dyed woven polyester filament fabric containing textured filament yarn with 4.1% elastomeric yarn (polyurethane)" in respect of Bill of Entry No. 7779729 dated 27.02.2026. The GSM of the fabric has been reported as 130.9 and 124.3, respectively.

3.5 The test reports indicated that the imported goods were dyed woven polyester filament fabrics containing elastomeric yarn. The reports further revealed that the imported goods were not PVC coated polyester fabrics as declared in the Bills of Entry. Thus, the declarations made by the importer in respect of description and classification were found to be incorrect.

4. QUANTITY RE-DETERMINATION AND MISDECLARATION

4.1 During investigation, it was noticed that the quantity declared in the Bills of Entry did not correspond with the actual quantity of fabrics imported. The imported goods were fabrics, the quantity of which is ordinarily traded and assessed in square metres. Therefore, the actual quantity was worked out on the basis of GSM (grams per square meter) determined through laboratory testing and the net weight of the imported goods declared in the Bills of Entry and as per the weighment made during the examination of the goods. The weighment of the imported goods matched with the declared Gross weight in respect of both the Bills

of Entry. Accordingly, the net weight as declared in the Packing List of the concerned Bills of Entry has been taken for determination of the Quantity (in SQM).

4.2 The formula adopted for determination of actual quantity was:

Quantity (Sq. Mtr.) = Net Weight (Kg.) × 1000 ÷ GSM

4.3 In respect of Bill of Entry No. 7778893 dated 27.02.2026, the importer declared quantity as 49,200 square meters. However, based upon GSM of 130.9 and net weight of 27,100 kg, the actual quantity works out to :

SQM = 27,100 × 1000 ÷ 130.9 = 2,07,028.27 square meters

4.4 Thus, against the declared quantity of 49,200 square meters, the actual quantity was found to be 2,07,028.27 square meters, which is more than 4 times the declared quantity.

4.5 In respect of Bill of Entry No. 7779729 dated 27.02.2026, the importer declared quantity as 49,620 square meters. However, based upon GSM of 124.3 and net weight of 26,800 kg, the actual quantity works out to:

26,800 × 1000 ÷ 124.3 = 2,15,607.40 square meters

4.6 Thus, against the declared quantity of 49,620 square meters, the actual quantity was found to be 2,15,607.40 square meters, which is more than 4 times the declared quantity.

4.7 The comparison is tabulated below:

TABLE - C

BE No. and date	Declared Qty (Sq.Mtr.)	Actual Qty (Sq.Mtr.)	Excess Qty (Sq.Mtr.)
7778893 dated 27.02.2026	49,200	2,07,028.27	1,57,828.27
7779729 dated 27.02.2026	49,620	2,15,607.40	1,65,987.40
Total	98,820	4,22,635.67	3,23,815.67

4.8 The above calculation clearly shows that the quantities declared in the Bills of Entry were grossly understated and did not represent the actual quantity of goods imported. The quantity declared by the importer constituted only a fraction of the actual quantity ascertainable from the GSM and net weight of the imported

fabrics. Since quantity is one of the fundamental parameters for determination of assessable value, the substantial understatement of quantity directly impacted valuation and resulted in corresponding suppression of assessable value and Customs duty.

5. SEIZURE OF GOODS

5.1 The investigation conducted by the Directorate of Revenue Intelligence brought out that the goods imported by M/s. Elite Enterprise under Bill of Entry Nos. 7778893 and 7779729, both dated 27.02.2026, were prima facie mis-declared with respect to their description, classification, quantity and value. Examination of the goods under panchnama dated 20.03.2026 revealed that the imported goods were not PVC coated polyester fabrics as declared in the Bills of Entry. Subsequent laboratory testing by the Textile Committee, Mumbai confirmed that the goods were dyed woven polyester filament fabrics containing textured filament yarn and elastomeric yarn, which are not classifiable under Customs Tariff Item 59031090 or 59039090.

5.2 Investigation further established that the importer had grossly understated the quantity of the imported goods. Against the declared quantity of 98,820 square metres, the actual quantity was determined to be 4,22,635.67 square metres on the basis of GSM ascertained through laboratory testing and the net weight of the imported goods. Consequently, the assessable value declared by the importer was also found to be grossly suppressed.

5.3 The aforesaid acts of mis-declaration of description, classification, quantity and value rendered the imported goods liable to confiscation under the provisions of Section 111 of the Customs Act, 1962. Since the investigation revealed deliberate suppression of material particulars having a direct bearing on assessment and levy of Customs duty, the goods were considered liable for seizure under Section 110 of the Customs Act, 1962.

5.4 Accordingly, having reasonable belief that the imported goods were liable to confiscation under the provisions of the Customs Act, 1962, the goods covered under Bill of Entry Nos. 7778893 and 7779729, both dated 27.02.2026, were seized under Section 110 of the Customs Act, 1962 under a reasonable belief that

the same were liable to confiscation under Section 111 of the Customs Act, 1962 **(RUD-04)**.

6. STATEMENT OF KEY PERSON

6.1 Statement of Shri Siddhjot Singh Gumber, Authorized representative of M/s. Elite Enterprise was recorded under Section 108 of the Customs Act, 1962, on 05.06.2026 **(RUD-05),** wherein he interalia stated that -

- He is working at M/s. Elite Enterprise (IEC CRWPB9517Q) as accountant since last 8 months; that M/s. Elite Enterprise is functioning since 2024; that M/s. Elite Enterprise is engaged in trading business of fabric, luggage-bag, bags, accessories etc.; that M/s. Elite Enterprise imports different variety of fabric, luggage-bags, bags and its accessories from China, since 2024; that he is authorized to give the statement by the proprietor of M/s. Elite Enterprise and his statement would be binding on his firm; that M/s. Elite Enterprise is proprietor-ship firm and Shri Pradeep Bajaj is proprietor of M/s. Elite Enterprise.

- He perused the Panchnama dated 19.03.2026 and 20.03.2026 drawn at Shoolin Trade Link LLP, APSEZ, Mundra and stated that the contents of the said Panchnama are correct to the best of his knowledge and belief; he confirmed and agreed with the fact that his firm had authorized Shri Pranjal Singh to remain present during the course of examination and drawl of representative samples from the imported goods in respect of Bills of Entry No. 7778893 dated 27.02.2026 and 7779729 dated 27.02.2026; that the sample drawing process adopted during examination is accepted by his firm.

- He had perused the test report of representative samples drawn during examination at Shoolin Trade Link LLP, APSEZ, Mundra in respect of BE Nos. 7778893 dated 27.02.2026 and 7779729 dated 27.02.2026 (one representative sample each from every Bill of Entry), received from the Laboratories, Textile Committee, Government of India, Mumbai; that he agreed with the test result based on the parameters mentioned therein; that he accepted and confirmed that the test report is true and correct and he did not have any objection on the test result in any of the parameters mentioned therein.

- He had perused the Bills of Entry No. 7778893 dated 27.02.2026 and 7779729 dated 27.02.2026 filed by them for import of fabrics at APSEZ, Mundra (at M/s. Shoolin Trade Link LLP) and he stated that the said Bills of Entry were filed by his firm for clearances of imported fabrics from China; that the entries/declaration made in the said Bills of Entry were done after careful application of mind; that the CTH, Assessable Value, Rate of Duty, Exemption benefit availed and other details mentioned therein were within the best knowledge of his firm they were aware that they are responsible for filing of true and correct details while filing the Bills of Entry.
- He agreed that the declared description in respect of BE No. 7778893 dated 27.02.2026 and 7779729 dated 27.02.2026 was "Polyester Fabric with PVC Laminated wide (58"+-10%)". He perused the panchnama and also perused the test result of the Laboratories, Textile Committee, Mumbai towards the testing of representative samples marked with "7778893/A-1" and "7779729/A-1" and agreed and confirmed that the tested parameters of the test result clearly show that the representative samples drawn from the imported goods are different than those declared in the Bill of Entry in respect of sample "**7778893**/A-1" and "**7779729**/A-1". He agreed with the test report; that the details of test report its revised description revised CTI, Sqmtrs (based on GSM) and Assessable Value based on the revised description is as under :-

TABLE - D

BE NUMBER	BE DATE	ITEM DESCRIPTION (DECLARED)	CTI declared	Description as per Test Result	CTI– on the basis of test report	GSM	Net Weight	Sq. Mtrs. Calculated based on GSM
7778893	27-02-2026	POLYESTER FABRIC WITH PVC COATED WIDTH (58"+/-10%)	59031090	Dyed woven polyester filament fabric containing textured filament yarn with 4% elastomeric yarn	54075290	130.9	27100	207028.27
7779729	27-02-2026	POLYESTER FABRIC WITH PVC COATED WIDTH (58"+/-10%)	59039090	Dyed woven polyester filament fabric containing textured filament yarn with 4.1%	54075290	124.3	26800	215607.40

				elastomeric yarn				

- Further, he agreed that the declared description do not match with the description as per test report on the basis of tested parameters in both the Bills of Entry No. 7778893 dated 27.02.2026 and 7779729 dated 27.02.2026; that he agreed with the re-classification of CTI based on the test report; that he agreed that the Sq. Mtrs arrived on the basis of the GSM and declared Net weight in the Packing List; that he agreed with that the SQM is excess in comparison to the SQM declared and arrived at on the basis of GSM; that he and his firm agreed with the same and are ready to pay differential duty arising out them.

- He perused the test report and confirmed that the tested parameters of the test report show that the description of the imported goods is other than those declared in respect representative samples "**7778893**/A-1" and "**7779729**/A-1" and he agree that the imported goods are mis-declared in respect of the description, quantity, CTI and Assessable Value of the imported goods; that he agreed that the CTI, Quantity and assessable value and CTI of the said goods may be re-assessed based on the test report and examination panchnama; that he further, agreed that assessable value also is to be re-assessed on the basis of contemporary value of actually imported goods based on description/CTI arrived on test report; that his firm is ready to pay the differential duty arising out of the same. He further added and stated that his firm had not intentionally imported mis-declared goods, however, the overseas supplier had sent goods other than the ordered goods.

7. RE-CLASSIFICATION OF GOODS

7.1 The importer declared the imported goods as "Polyester Fabric with PVC Coated Width (58'' +/-10%)" under Customs Tariff Items 59031090 and 59039090 of the First Schedule to the Customs Tariff Act, 1975. Representative samples drawn from the imported consignments were tested by The Laboratories, Textile Committee, Mumbai. The laboratory reported the goods as:

TABLE - E

BE No. and Date	Description as derived from test report

7778893 dated 27.02.2026	"Dyed woven polyester filament fabric containing textured filament yarn with 4% elastomeric yarn (polyurethane)"
7779729 dated 27.02.2026	"Dyed woven polyester filament fabric containing textured filament yarn with 4.1% elastomeric yarn (polyurethane)"

7.2 The laboratory findings are clearly indicate that the imported goods are:

(a) Woven fabrics;

(b) Made of polyester filament yarn;

(c) Dyed;

(d) Containing elastomeric yarn (approximately 4%);

(e) Possessing stretch characteristics;

(f) Not PVC coated fabrics of the type declared in the Bills of Entry.

7.3 The importer, declared the goods under Heading 5903 of Chapter 59.

Heading 5903 covers:

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

7.4 The Chapter 54 of the Customs Tariff Act covers "Man-made Filaments".

Heading 5407 specifically covers:

"Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404."

Tariff Item 54075290 covers:

"Other dyed woven fabrics of synthetic filament yarn containing 85% or more by weight of textured polyester filaments."

7.5 The imported goods being dyed woven polyester filament fabrics containing textured filament yarn and elastomeric yarn squarely satisfy the description of goods covered under Heading 5407 and are appropriately classifiable under Customs Tariff Item 54075290. Classification under Heading 5903 requires the imported goods to possess the essential character of coated, covered, impregnated or laminated textile fabrics. The laboratory report does not show only the presence of PVC coating so as to alter the essential character of the imported goods from woven polyester fabric to coated fabric classifiable under Chapter 59. The laboratory has instead identified the goods primarily as woven polyester filament fabrics containing elastomeric yarn. Therefore, the essential character of the imported goods remains that of woven polyester filament fabric and not coated fabric. In terms of Rule 1 of the General Rules for Interpretation of Import Tariff, classification is determined according to the terms of the headings and relevant Section Notes and Chapter Notes. Applying Rule 1 of the General Rules for Interpretation, the imported goods merit classification under Heading 5407 and specifically under Customs Tariff Item 54075290. The classification adopted by the importer under Customs Tariff Headings 59031090 and 59039090 is therefore incorrect and legally unsustainable.

7.6 Accordingly, the imported goods are liable to be re-classified as under:

TABLE - F

Bill of Entry No.	**Declared Description**	**Declared CTI**	**Goods as per Test Report**	**Correct CTI**
7778893 dated 27.02.2026	Polyester Fabric with PVC Coated Width (58'' +/- 10%)	59031090	Dyed woven polyester filament fabric containing textured filament yarn with 4% elastomeric yarn (polyurethane)	54075290
7779729 dated 27.02.2026	Polyester Fabric with PVC Coated Width (58'' +/- 10%)	59039090	Dyed woven polyester filament fabric containing textured filament yarn with 4.1% elastomeric yarn (Polyurethane)	54075290

7.7 The Authorized representative of M/s Elite Enterprise was confronted with the findings of The Laboratories, Textile Committee, Mumbai and, in his statement recorded under Section 108 of the Customs Act, 1962, accepted the test reports and the proposed re-classification of the imported goods under Customs Tariff Item 54075290. Therefore, the nature, composition and classification of the imported

goods stand determined through scientific testing and the admission of the importer. Consequently, the imported goods are correctly classifiable under Customs Tariff Item 54075290 and not under Customs Tariff Items 59031090 or 59039090 as declared in the Bills of Entry.

8. VALUATION OF IMPORTED GOODS

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

8.2 During investigation, the declared transaction values of the imported goods were examined with reference to the import documents, laboratory reports, quantity determination and contemporaneous import data. Investigation brought out that the importer declared the goods as “Polyester Fabric with PVC Coated Width (58'' +/-10%)” whereas the Textile Committee, Mumbai reported the goods to be “Dyed Woven Polyester Filament Fabric containing Textured Filament Yarn with 4% Elastomeric Yarn”. Investigation further revealed that the quantities declared in the Bills of Entry were grossly understated. Based on GSM and net weight of the imported goods, the actual quantities were determined to be substantially higher than the quantities declared before Customs. Thus, the declarations made by the importer with regard to description, classification and quantity were found to be incorrect. Since the declared description, classification and quantity themselves were found to be false and inaccurate, serious doubts arose regarding the truth and accuracy of the declared transaction value.

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

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

9. CONTEMPORANEOUS IMPORT DATA

9.1 After rejection of the declared transaction value, efforts were made to determine the value in accordance with the sequential application of Rule 4 to 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Contemporaneous import data relating to imports of similar goods originating from China and imported during the relevant period was examined.

9.2 The goods under investigation were found to be "Dyed Woven Polyester Filament Fabric containing Textured Filament Yarn with 4% Elastomeric Yarn" and "Dyed Woven Polyester Filament Fabric containing Textured Filament Yarn with 4.1% Elastomeric Yarn"

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

9.4 Investigation revealed that similar fabrics of Chinese origin were being imported contemporaneously at substantially higher values than the values declared by M/s Elite Enterprise. The contemporaneous import data pertaining to

similar woven polyester filament fabrics containing elastomeric yarn imported from China was examined and found suitable for valuation purposes in the present case. The data of the contemporaneous import is as under :-

TABLE - G

CUSTOMHOUSECODE	BENUMBER	BEDATE	ITEMDESCRIPTION	CTI	QUANTITY	UQC	UNITPRICE	Total Value USD
INNSA1	5688547	14-11-2025	WOVEN FABRIC - WQ-19447 FABRIC 93% POLYESTER 7%SPANDEX, STYLE NO. BP-TP-ST-MARTINI 270 GSM CUTABLE WIDTH 145 CM FULL WID	54075290	2694.825	SQM	1.793103	4832.099
INNSA1	5688547	14-11-2025	WOVEN FABRIC - WQ-19447 FABRIC 93% POLYESTER 7%SPANDEX, STYLE NO. BP-TP-ST-MARTINI 270 GSM CUTABLE WIDTH 145 CM FULL WID	54075290	4491.375	SQM	1.793103	8053.498
INNSA1	5688547	14-11-2025	WOVEN FABRIC - WQ-19447 FABRIC 93% POLYESTER 7%SPANDEX, STYLE NO. BP-TP-ST-MARTINI 270 GSM CUTABLE WIDTH 145 CM FULL WID	54075290	2694.825	SQM	1.793103	4832.099
INPPG6	5854439	22-11-2025	WOVEN FABRIC BP-DO-WILSON2# OFF WHITE , 95% POLY, 5% SPANDEX, 268 GSM,WIDTH 145CM (1530 MTR)	54075290	2218.5	SQM	1.965517	4360.499
INPPG6	5854439	22-11-2025	WOVEN FABRIC BP-DO-WILSON2# BLACK , 95% POLY, 5% SPANDEX, 268 GSM,WIDTH 145CM (1524 MTR)	54075290	2209.8	SQM	1.965517	4343.399
INMAA1	6139397	06-12-2025	95.3% POLYESTER 4.7% SPANDEX WOVEN DYED FABRIC GSM 180 WIDTH56/57" (26848.7 MTRS)	54075290	38871.55	SQM	0.635447	24700.81
INMAA1	6139397	06-12-2025	95.7% POLYESTER 4.3% SPANDEX WOVEN DYED FABRIC GSM 230 WIDTH56/57" (3883.5 MTRS)	54075290	5622.531	SQM	0.725239	4077.679
INPPG6	6170173	08-12-2025	WOVEN FABRIC BP-TP-ST-MARTINI# NAVY, 93% POLYESTER , 7% SPANDEX , 270 GSM , WIDTH 148 CM (1613.8 MTR)	54075290	2388.42	SQM	1.75676	4195.881
INPPG6	6170173	08-12-2025	WOVEN FABRIC BP-TP-ST-MARTINI# BLACK, 93% POLYESTER , 7% SPANDEX , 270 GSM , WIDTH 148 CM (1882.6 MTR)	54075290	2786.24	SQM	1.756762	4894.761
INPPG6	6170173	08-12-2025	WOVEN FABRIC BP-TP-ST-MARTINI# BEIGE, 93% POLYESTER , 7% SPANDEX , 270 GSM , WIDTH 148 CM (2342.5 MTR)	54075290	3466.9	SQM	1.756757	6090.501
INMAA1	6337603	16-12-2025	96.8% POLYESTER 3.2% SPANDEX WOVEN DYED FABRIC WIDTH 56/57"GSM 250 (5557.50 MTRS)	54075290	8046.149	SQM	1.174195	9447.747
INMAA1	6343249	17-12-2025	92% POLYESTER 8% SPANDEX PLAIN WOVEN OVER DYED FABRIC GSM 140 (+/-5%) WIDTH 56" (+/-1%) (4803 YARDS)	54075290	6246.98	SQM	1.614588	10086.3
			Total		**81738.09**			**89915.27**
			Weighted Average Price per SQM					**1.1**

9.5 The contemporaneous import data indicated a weighted average transaction value of USD 1.10 per square meter for similar imported goods. Since the contemporaneous imports related to similar goods imported at or about the same time and from the same country of origin, the value of USD 1.10 per square meter was considered appropriate for determination of value under Rule 5 of the Customs Valuation Rules, 2007. Accordingly, the assessable value of the imported goods was re-determined under Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

10. RE-DETERMINATION OF ASSESSABLE VALUE

10.1 Applying the contemporaneous value of USD 1.10 per square meter to the actual quantities determined on the basis of GSM and net weight, the assessable value was re-determined as follows:

TABLE - H

Bill of Entry No.	Declared AV (Rs.)	Actual Qty (Sq.Mtr.)	Value Adopted (1USD=Rs. 91.9)	Re-determined AV (Rs.)
7778893 dated 27.02.2026	8,13,866.40	2,07,028.27	USD 1.10/Sq.Mtr.	2,09,28,487.8
7779729 dated 27.02.2026	8,20,814.04	2,15,607.40	USD 1.10/Sq.Mtr.	2,17,95,752.1

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

TABLE - I

Particulars	Declared Value (Rs.)	Re-determined Value (Rs.)
BE No. 7778893	8,13,866.40	2,09,28,487.8
BE No. 7779729	8,20,814.04	2,17,95,752.1
Total	16,34,680.4	4,27,24,239.9

10.3 The above comparison clearly evidences substantial undervaluation of the imported goods. The importer declared a total assessable value of Rs.16,34,680.04 whereas the correct assessable value determined in accordance with Rule 5 of the Customs Valuation Rules, 2007 works out to Rs. 4,27,24,240/-.

10.4 In his statement recorded under Section 108 of the Customs Act, 1962, the Authorized person of M/s Elite Enterprise accepted the findings of the laboratory report and accepted contemporaneous valuation methodology adopted by the department. He was also informed of the differential duty liability arising from the re-determination of assessable value. Therefore, the declared transaction value is liable to rejection under Rule 12 read with Rule 3(2) of the Customs Valuation Rules, 2007 and the assessable value is correctly re-determined under Rule 5 on the basis of contemporaneous imports of similar goods.

11. SUMMARY OF INVESTIGATION AND DIFFERENTIAL DUTY CALCULATION:

11.1 On the basis of the examination, test result and oral statement of authorized representative of M/s Elite Enterprise, Delhi, it emerges that M/s. Elite Enterprise attempted import polyester fabrics of Chinese origin by mis-declaring

the description, classification, quantity and value of the imported goods with an intent to evade applicable Customs duties. The Bills of Entry No. 7778893 dated 27.02.2026 and 7779729 dated 27.02.2026 were subjected to detailed examination and during the examination, representative samples were drawn and sent to the Laboratory, Textile Committee, Mumbai for testing of the fabric for determination of various parameters of fabric to obtain specific CTI of the imported fabrics.

11.2 The Textile Committee, Mumbai, vide Test Reports dated 16.04.2026, reported that the imported goods were Dyed Woven Polyester Filament Fabrics containing Textured Filament Yarn with Elastomeric Yarn (4% and 4.1%). The test reports clearly revealed that the goods were not PVC coated polyester fabrics as declared by the importer.

11.3 Based on the laboratory findings, the imported goods were found correctly classifiable under Customs Tariff Item 54075290 as against the declared classifications under CTI 59031090 and 59039090, as declared. Thus, the importer had mis-declared the description and classification of the imported goods. Investigation further revealed that the quantity declared in the Bills of Entry was grossly understated. On the basis of GSM determined through laboratory testing and net weight of the imported goods, the actual quantity was re-determined at 4,22,635.67 Sq. Mtrs. as against the declared quantity of 98,820 Sq. Mtrs., resulting in excess quantity of 3,23,815.67 Sq. Mtrs. Since the description, classification and quantity declared by the importer were found to be false and inaccurate, the declared transaction value became liable for rejection under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

11.4 Contemporaneous import data of similar woven polyester filament fabrics containing elastomeric yarn imported from China during the relevant period was examined. Based on such imports, a weighted average transaction value of USD 1.10 per Sq. Mtr. was adopted for valuation under Rule 5 of the Customs Valuation Rules, 2007. Applying the contemporaneous value to the actual quantity determined during investigation, the assessable value of the imported goods was re-determined at Rs. 4,27,24,240/- as against the declared assessable value of Rs. 16,34,680.4, thereby evidencing substantial undervaluation.

11.5 Shri Siddhjot Singh Gumber, Authorized Representative of M/s Elite Enterprise, in his statement recorded under Section 108 of the Customs Act, 1962, accepted the test reports, re-classification, quantity re-determination and valuation methodology adopted during investigation and agreed to discharge the differential duty liability arising therefrom. The investigation has thus established that M/s Elite Enterprise knowingly filed Bills of Entry containing incorrect declarations relating to the description, classification, quantity and value of the imported goods.

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

TABLE - J

BE NUMBER	BEDATE	Duty Declared	CTI determined	Sq. Mtrs. Calculated based on GSM	New AV	BCD (New) 20% or Rs. 23 Per Sq.Mtr., which ever is higher	SWS (11/2018-Cus)	IGST (New) (5%)	Duty Payable	Difference
7778893	27-02-2026	228696.5	54075290	207028.27	20928487.8	4761650.11	0	1284506.88	6046156.99	5817461
7779729	27-02-2026	230648.8	54075290	215607.40	21795752.1	4958970.23	0	1337736.12	6296706.36	6066058
		459345.3			42724239.9	9720620.35	0	2622243.00	12342863.35	11883518

12. Legal Provisions

12.1. **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.

12.2. **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]:

12.3. **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.

12.4. **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;

12.5. **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.

12.6. **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.]

12.7. **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.]

12.8. **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.]

12.9 **Section 30 of SEZ Act, 2005**

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

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

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

12.10 **Rule 28 of SEZ Rules, 2006**

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

(a) ports or airports;

(b) land customs stations;

(c) inland container depots;

(d) foreign post offices;

(e) authorized couriers; or

(f) through personal baggage of passengers authorized by the Special Economic Zone Unit; or

(g) Via Satellite data communication such as internet or any other telecommunication link.

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

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

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

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

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

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

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

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

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

12.11 **Rule 29 of SEZ Rules, 2006**

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

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

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

12.12 **S.O. 2666(E) dated 05.08.2016.—**

In exercise of the powers conferred by sub-section (2) of section 21 and second proviso to section 22 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government hereby authorises the Additional Director General, Directorate of Revenue Intelligence for offences under the Customs Act, 1962 (52 of 1962) and the Additional Director General, Directorate General of Central Excise Intelligence for offences under the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit and shall intimate the details of any action initiated under sub-section (3) of section 21 of the Act to the Joint Secretary in charge of Special Economic Zones Division in the Department of Commerce immediately and in any case not later than seven days of initiation of any action.

13. CONTRAVENTION OF APPLICABLE LEGAL PROVISIONS

13.1. 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.

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

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

13.4 M/s Elite Enterprise imported fabrics from China by intentionally mis-declaring the quantity and description of the goods. Such acts of omission and commission 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.

13.5. In view of the foregoing facts and evidences on record, it is observed that M/s Elite Enterprise is a proprietary concern in which Shri Pradeep Bajaj is the key person who handles purchase (Import) of goods from China. As categorically stated,

in his voluntary statements dated 05.06.2026 by the authorized representative of M/s. Elite Enterprise, it is evident that Shri Pradeep Bajaj, being the importer and Proprietor of the affairs of M/s Elite Enterprise, has submitted incorrect and false declarations to Customs authorities at the time of import, having full knowledge that the imported goods were other than what was declared in the respective Bill of Entries. Shri Pradeep Bajaj Proprietor of M/s Elite Enterprise, situated at office No. 342, Third Floor, Vardhman Diamond Plaza, Paharganj, Motia Khan, Delhi – 110055 holding (IEC CRWPB9517Q) appears to have indulged in presenting documents falsifying the identity of the goods, before the Customs authorities for import of the goods. Thus, Shri Pradeep Bajaj has knowingly and intentionally made a declaration under the Bill of Entry filed under Section 46 of the Customs Act 1962, which is false and incorrect. Hence, Shri Pradeep Bajaj has rendered himself liable to penalty under the Section 114AA of the Customs Act 1962.

13.6 Further, the goods imported earlier by M/s Elite Enterprise had been imported through SEZ and subsequently cleared in DTA which clearly indicate the modus of clearance of imported goods in DTA through SEZ route. The modus of clearances of earlier imported consignments clearly indicate the intention of importer for subsequent clearance of goods in DTA through the SEZ route in these two bills of entry also.

14. In view of the above, an investigation report has been forwarded to Mundra Customs via email dated 29.06.2026, by the Additional Director, Directorate of Revenue Intelligence, Zonal Unit Ahmedabad, with a forwarding letter issued vide F.no. DRI/AZU/GI-02/Enq-20/2026 dated 23.06.2026, whereby it appears that :-

(i) The goods imported under Bills of Entry No. 7779729 dated 27.02.2026 and 7778893 dated 27.02.2026, which were found to have been mis-declared in terms of description, quantity & value and were seized vide Seizure Memo dated 23.06.2026, should be reassessed under section 17 of the Customs Act, 1962 by mentioning the correct description as “Dyed woven polyester filament fabric containing textured filament yarn with 4.0% elastomeric yarn” in respect of Bill of Entry No. 7778893 dated 27.02.2026 and “Dyed woven polyester filament fabric containing textured filament yarn with 4.1% elastomeric yarn” in respect of Bill of Entry No. 7779729 dated 27.02.2026, the Quantity of Fabric in SQM as

207028.27 and 215607.40, respectively and by re-classifying the same under the correct **CTI to 54075290** for both the Bills of Entry, as discussed above, instead of the declared description, classification and re-assessed, accordingly.

(ii) The declared assessable value of Rs. 16,34,680/- (Rupees Sixteen Lakhs Thirty Four Thousand Six Hundred and Eighty Only) should be rejected and goods be **re-assessed at ₹ 4,27,24,240/- (Rupees Four Crores Twenty Seven Lakhs Twenty Four Thousand Two Hundred and Forty only)**, in terms of the Rule 5 of the Customs Valuation Rules 2007, as detailed above.

(iii) The seized goods, as detailed in Seizure Memo dated 23.06.2026 with **re-determined value of ₹ 4,27,24,240/- (Rupees Four Crores Twenty Seven Lakhs Twenty Four Thousand Two Hundred and Forty only)**, should be confiscated under Section 111 (m) of the Customs Act, 1962.

(iv) The differential duty amounting to Rs. **1,18,83,518/- (Rupees One Crore Eighteen Lakhs Eighty Three Thousand Five Hundred and Eighteen Only)**, as discussed above, and arrived at after re-determination of value and reclassification of goods based on test reports, should be re-assessed in respect of the Z types BE filed by them.

(v) Penalty may be imposed on Importer M/s. Elite Enterprises, under Section 112 (a)/112(b) of the Customs Act, 1962,;

(vi) Penalty may be imposed on Shri Pradeep Bajaj Proprietor of M/s Elite Enterprise under Section 114AA of the Customs Act, 1962.

WRITTEN SUBMISSION AND PERSONAL HEARING

15. Importer M/s. Elite Enterprise (IEC:CRWPB9517Q), vide their letter dated 08.07.2026, has requested for waiver for Show Cause Notice and personal hearing, as the investigation has been completed, and requested to decide the case on merits. They also undertake to abide by the decision taken by this office._

DISCUSSION AND FINDINGS

16. I have carefully gone through the Investigation Report forwarded by the Directorate of Revenue Intelligence, Ahmedabad Zonal Unit vide F. No. DRI/AZU/GI-02/Enq-20/2026 dated 23.06.2026, the relied upon documents and all other material available on record. I note that M/s. Elite Enterprise, vide their letter dated 08.07.2026, has voluntarily requested waiver of Show Cause Notice and personal hearing, and has undertaken to abide by the decision taken by this office. I find that the principle of natural justice has been complied with, inasmuch as the importer has voluntarily waived the Show Cause Notice and personal hearing. I therefore proceed to decide the case on the basis of applicable laws, rules and documentary evidence available on record.

16.1 On a careful perusal of the Investigation Report and case records, I find that the following main issues arise for consideration and determination in this case:

(i) Whether the goods imported vide Bill of Entry No. 7778893 dated 27.02.2026 and Bill of Entry No. 7779729 dated 27.02.2026 — namely Dyed Woven Polyester Filament Fabric containing Textured Filament Yarn with 4.0% and 4.1% Elastomeric Yarn respectively — declared as "Polyester Fabric with PVC Coated Width (58"+/-10%)" under CTI 59031090 and 59039090 respectively, are liable to be re-assessed under Section 17(4) of the Customs Act, 1962 by re-classifying the same under the correct CTI 54075290;

(ii) Whether the declared assessable value of **Rs. 16,34,680/- (Rupees Sixteen Lakh Thirty Four Thousand Six Hundred and Eighty Only)** is liable to be rejected under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and the goods be re-assessed at **Rs. 4,27,24,240/- (Rupees Four Crores Twenty Seven Lakh Twenty Four Thousand Two Hundred and Forty Only)** under Rule 5 of the said Rules;

(iii) Whether the differential duty of **Rs. 1,18,83,518/- (Rupees One Crore Eighteen Lakh Eighty Three Thousand Five Hundred and Eighteen Only)** as discussed above, and arrived at after re-determination of value and reclassification of goods based on test reports, should be re-assessed in respect of the Z types BE filed by the Importer.

(iv) Whether the seized goods having re-determined value of **Rs. 4,27,24,240/-** are liable for confiscation under Section 111(m) of the Customs Act, 1962; and

(v) Whether penalty is imposable on M/s. Elite Enterprise under Sections 112(a)/ 112(b) of the Customs Act, 1962.

(vi) Whether penalty is imposable on Shri Pradeep Bajaj, Proprietor of M/s Elite Enterprise, under Section 114AA of the Customs Act, 1962

17. FIRST ISSUE — RE-CLASSIFICATION OF GOODS:

17.1 I find that M/s. Elite Enterprise filed Bill of Entry No. 7778893 dated 27.02.2026 and Bill of Entry No. 7779729 dated 27.02.2026 at APSEZ, Mundra, declaring the imported goods uniformly as "Polyester Fabric with PVC Coated Width (58''+/-10%)" under CTI 59031090 and CTI 59039090 respectively. Both Bills of Entry were filed for import of goods of Chinese origin warehoused at M/s. Shoolin Trade Link LLP, Mundra.

17.2 I find that during examination under Panchnama dated 20.03.2026, the imported goods were found to be prima-facie mis-declared with respect to their description. Representative samples were drawn from both the containers — one sample from each container — marked as "7778893/A-1" and "7779729/A-1" respectively. The samples were forwarded to The Laboratories, Textile Committee, Mumbai, for testing/determination of various parameters including nature of fabric, fibre composition, warp and weft construction, presence of coating, elastomeric yarn content, GSM, and microscopic examination of yarn composition.

17.3 I find that The Laboratory, Textile Committee, Mumbai, vide their Test Reports No. 0153032526-3254 (Parts I and II) dated 16.04.2026 (for BE No. 7778893) and No. 0153032526-3253 (Parts I and II) dated 16.04.2026 (for BE No. 7779729) respectively, reported the imported goods to be:

- BE No. 7778893/27.02.2026: "**Dyed woven polyester filament fabric containing textured filament yarn with 4.0% elastomeric yarn (polyurethane)**" with GSM of 130.9;

- BE No. 7779729/27.02.2026: "**Dyed woven polyester filament fabric containing textured filament yarn with 4.1% elastomeric yarn (polyurethane)**" with GSM of 124.3.

I find that the Laboratory, Textile Committee, Mumbai had informed that the presence of dyes prohibited by the Government of India under Section 6(2) (D) of the Environment (Protection) Act, 1986 (29 of 1986) read with Rule 13 of the Environment (Protection) Rules, 1986 vide Notification S.O. 108(E) dated 30.01.1990 and SO 243(E) dated 25.03.1997 were not detected.

I find that the test reports further confirmed that the goods were not PVC coated polyester fabrics of the nature declared in the Bills of Entry. The imported goods were found to be woven fabrics made of polyester filament yarn, dyed, containing approximately 4% elastomeric (polyurethane) yarn, with stretch characteristics — fundamentally different from the declared description of PVC coated polyester fabric.

17.4 I find that the importer declared the goods under Heading 5903 which covers textile fabrics impregnated, coated, covered or laminated with plastics. However, the laboratory findings conclusively establish that the imported goods are woven polyester filament fabrics containing elastomeric yarn. There is no finding by the laboratory that the goods are coated, covered, impregnated or laminated with plastics. The essential character of the imported goods is that of woven polyester filament fabric and not coated fabric. The classification under Heading 5903 is therefore incorrect.

17.5 I find that the imported goods — being dyed woven polyester filament fabrics containing textured filament yarn and elastomeric yarn — squarely satisfy the description under Heading 5407 of the Customs Tariff, which covers woven fabrics of synthetic filament yarn. Customs Tariff Item 54075290 specifically covers "Other dyed woven fabrics of synthetic filament yarn containing 85% or more by weight of textured polyester filaments." Applying Rule 1 of the General Rules for Interpretation of Import Tariff, the imported goods merit classification under Heading 5407 and specifically under **CTI 54075290**.

17.6 I note that Shri Siddhjot Singh Gumber, authorized representative of M/s. Elite Enterprise, in his statement recorded under Section 108 of the Customs Act, 1962 on 05.06.2026, accepted and agreed with the findings of The Laboratories, Textile Committee, Mumbai. He specifically confirmed that the test reports clearly show that the description of the imported goods is other than those declared in the Bills of Entry, accepted the proposed re-classification under CTI 54075290, and stated that his firm was ready to pay the differential duty arising therefrom. This voluntary acceptance is conclusive and further establishes the correctness of the re-classification.

17.7 Accordingly, I find that the declared classification of the imported goods as "Polyester Fabric with PVC Coated Width (58"+/-10%)" under CTI 59031090 and CTI 59039090 is incorrect and is liable to be rejected. The imported goods covered under both Bills of Entry are correctly classifiable under **CTI 54075290** as "Dyed woven polyester filament fabric containing textured filament yarn with elastomeric yarn."

18. SECOND ISSUE — QUANTITY RE-DETERMINATION AND REJECTION OF DECLARED VALUE:

18.1 I find that during investigation, the actual quantity of the imported fabrics was re-determined on the basis of GSM (grams per square metre) determined through laboratory testing and the net weight of the imported goods declared in the packing lists. The formula adopted was:

Quantity (Sq. Mtr.) = Net Weight (Kg.) × 1000 ÷ GSM

18.2 I find that applying the above formula:

- In respect of BE No. 7778893 dated 27.02.2026, the importer declared quantity of 49,200 sq. mtrs. However, based on GSM of 130.9 and net weight of 27,100 Kgs, the actual quantity works out to **2,07,028.27 sq. mtrs.** — more than 4 times the declared quantity, resulting in excess quantity of **1,57,828.27 sq. mtrs.**
- In respect of BE No. 7779729 dated 27.02.2026, the importer declared quantity of 49,620 sq. mtrs. However, based on GSM of 124.3 and net

weight of 26,800 Kgs, the actual quantity works out to **2,15,607.40 sq. mtrs.** — more than 4 times the declared quantity, resulting in excess quantity of **1,65,987.40 sq. mtrs.**

- The total actual quantity across both Bills of Entry is **4,22,635.67 sq. mtrs.** as against the declared quantity of 98,820 sq. mtrs., resulting in total excess of **3,23,815.67 sq. mtrs.**

I find that Shri Siddhjot Singh Gumber, authorized representative of M/s. Elite Enterprise, in his voluntary statement dated 05.06.2026, accepted and confirmed the actual quantities arrived at on the basis of GSM and declared net weight in the packing lists.

18.3 I find that since the declared description, classification and quantity themselves were found to be false and inaccurate, the declared transaction values are liable to be rejected under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The declared assessable value of Rs. 16,34,680/- against the actual quantity of 4,22,635.67 sq. mtrs. implies a per unit value of approximately Rs. 3.87 per sq. mtr. which is manifestly unrealistic and grossly suppressed. The declared CIF values in the Bills of Entry therefore do not represent the true transaction value of the imported goods and accordingly, the declared transaction values became liable for rejection under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

18.4 I find that since Rule 4 (transaction value of identical goods) cannot be applied in the present case — as determination of identically requires detailed comparison of technical and commercial parameters such as fibre composition, construction, GSM, yarn type, denier, coating, design and finish which are not readily available for past imports — the assessable value is required to be determined by sequential application of Rules 5 onwards.

18.5 I find that under **Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (transaction value of similar goods)**, contemporaneous import data relating to imports of similar woven polyester filament fabrics containing elastomeric yarn of Chinese origin imported during the relevant period was examined. The contemporaneous import data, as detailed in

Table-G above, revealed a weighted average transaction value of **USD 1.10 per sq. mtr.** for similar goods. This contemporaneous value is based on 12 entries of similar goods imported from the same country of origin (China) at or about the same time, and is a fair and reasonable representative value for goods of similar nature and composition.

18.6 I find that Shri Siddhjot Singh Gumber, authorized representative of M/s. Elite Enterprise, in his voluntary statement dated 05.06.2026, accepted the contemporaneous valuation methodology adopted during investigation and agreed that the assessable value should be re-assessed on the basis of the contemporaneous value of the actually imported goods based on the description/CTI arrived at from the test reports.

18.7 Applying the contemporaneous value of **USD 1.10 per sq. mtr.** at the applicable exchange rate of Rs. 91.9 per USD to the actual quantities determined, the re-determined assessable value works out to:

- BE No. 7778893/27.02.2026: 2,07,028.27 × USD 1.10 × Rs. 91.9 = **Rs. 2,09,28,487.80**
- BE No. 7779729/27.02.2026: 2,15,607.40 × USD 1.10 × Rs. 91.9 = **Rs. 2,17,95,752.10**
- **Total re-determined assessable value: Rs. 4,27,24,239.90/- (rounded to Rs. 4,27,24,240/-)**

I accordingly reject the declared assessable value of Rs. 16,34,680/- under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine the assessable value at **Rs. 4,27,24,240/- (Rupees Four Crores Twenty Seven Lakh Twenty Four Thousand Two Hundred and Forty Only)** under Rule 5 of the said Rules.

19. THIRD ISSUE — DIFFERENTIAL DUTY:

19.1 I find that based on the re-determined classification under CTI 54075290 and the re-determined assessable value of Rs. 4,27,24,240/-, the duty liability on the imported goods has been re-calculated. The differential duty arising from the

re-determination of description, classification, quantity and assessable value is as under:

BE No.	Duty Declared (Rs.)	CTI Re-determined	Actual SQM	Re-determined AV (Rs.)	BCD (20% or Rs. 23/SQM, whichever higher)	IGST @ 5%	Total Duty Payable (Rs.)	Differential Duty (Rs.)
7778893	2,28,696.50	54075290	2,07,028.27	2,09,28,487.80	47,61,650.11	12,84,506.88	60,46,156.99	58,17,460
7779729	2,30,648.80	54075290	2,15,607.40	2,17,95,752.10	49,58,970.23	13,37,736.12	62,96,706.36	60,66,058
Total	**4,59,345.30**		**4,22,635.67**	**4,27,24,239.90**	**97,20,620.34**	**26,22,243.00**	**1,23,42,863.34**	**1,18,83,518**

19.2 I accordingly confirm that the differential duty amounting to **Rs. 1,18,83,518/- (Rupees One Crore Eighteen Lakh Eighty Three Thousand Five Hundred and Eighteen Only)** is to be added in duty liability with reference to Both Bills of entry filed to import the impugned goods by the M/s. Elite Enterprise. I find that M/s. Elite Enterprise, through their authorized representative, has accepted this differential duty liability in his statement dated 05.06.2026 and has undertaken to discharge the same.

20. FOURTH ISSUE — CONFISCATION OF GOODS:

20.1 I find that the Show Cause Notice proposals have included confiscation of the impugned goods under Section 111(m) of the Customs Act, 1962. The relevant provision is reproduced below:

"111(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."

20.2 I find that the goods imported by M/s. Elite Enterprise under Bill of Entry No. 7778893 dated 27.02.2026 and Bill of Entry No. 7779729 dated 27.02.2026 do

not correspond with the entries made in the Bills of Entry in the following material particulars:

(i) **Description**: Declared as "Polyester Fabric with PVC Coated Width (58''+/-10%)"; actual goods found to be "Dyed woven polyester filament fabric containing textured filament yarn with 4.0%/4.1% elastomeric yarn (polyurethane)";

(ii) **Classification**: Declared under CTI 59031090 and 59039090; actual goods classifiable under CTI 54075290;

(iii) **Quantity**: Declared as 98,820 sq. mtrs. (combined); actual quantity determined at 4,22,635.67 sq. mtrs. — excess of 3,23,815.67 sq. mtrs.;

(iv) **Value**: Declared assessable value of Rs. 16,34,680/-; re-determined assessable value of Rs. 4,27,24,240/-.

The goods are thus liable for confiscation under **Section 111(m)** of the Customs Act, 1962.

20.3 I now consider whether an option to pay redemption fine in lieu of confiscation under Section 125(1) of the Customs Act, 1962 should be given to the importer. Section 125(1) of the Customs Act, 1962 reads as under:

> *"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 an option to pay in lieu of confiscation such fine as the said officer thinks fit."*

20.4 I find that the imported goods — dyed woven polyester filament fabrics under CTI 54075290 — are not prohibited goods. They are freely importable subject to correct declaration and payment of applicable duties. In terms of Section 125(1) of the Customs Act, 1962, since the goods are not prohibited goods, I may give the importer an option to pay a fine in lieu of confiscation. Accordingly, I give M/s. Elite Enterprise an option to redeem the seized goods on payment of redemption fine, subject to payment of applicable customs duty and charges.

21. FIFTH ISSUE — PENALTIES:

21.1 Penalty on M/s. Elite Enterprise under Section 112 of the Customs Act, 1962:

I find that M/s. Elite Enterprise, by mis-declaring the description, classification, quantity and value of the imported goods in both Bills of Entry No. 7778893 and 7779729, both dated 27.02.2026, has committed acts of omission and commission which have rendered the imported goods liable to confiscation under Section 111(m) of the Customs Act, 1962. The nature of the mis-declarations is:

(i) The goods were declared as "Polyester Fabric with PVC Coated Width (58"+/-10%)" under CTI 59031090 and 59039090 when the actual goods were dyed woven polyester filament fabrics with elastomeric yarn classifiable under CTI 54075290;

(ii) The quantities declared in both Bills of Entry were understated by more than 4 times the actual quantities as determined from the GSM and net weight of the imported goods;

(iii) The assessable value declared was Rs. 16,34,680/- whereas the correct assessable value based on contemporaneous import data is Rs. 4,27,24,240/-.

The authorized representative of M/s. Elite Enterprise has admitted in his statement dated 05.06.2026 that the declared description does not match the description as per the test report, that the quantity declared was understated, and that the assessable value required re-determination. He has further confirmed that his firm accepted all the re-determinations and was ready to pay the differential duty. Notwithstanding this acceptance, the deliberate mis-declarations across description, classification, quantity and value — which cannot be attributed to inadvertence or technical error — constitute acts rendering the goods liable to confiscation under Section 111(m) of the Customs Act, 1962. The importer, as an experienced entity in import trade, is expected to exercise due diligence in ascertaining the correct description, classification and quantity of their imports. The systematic pattern of mis-declaration across all four parameters — description, classification, quantity and value — demonstrates mens rea and an active intent to

evade the applicable customs duties. Accordingly, M/s. Elite Enterprise has rendered itself liable for penalty under **Section 112(a)(ii)** of the Customs Act, 1962.

I find that imposition of penalty under Section 112(a) and Section 112(b) simultaneously amounts to imposition of double penalty; therefore, I refrain from imposition of penalty under Section 112(b) of the Act.

21.2 Penalty on Shri Pradeep Bajaj, Proprietor of M/s. Elite Enterprise, under Section 114AA of the Customs Act, 1962:

I find that Shri Pradeep Bajaj, Proprietor of M/s. Elite Enterprise, is the key person who handles all purchase (import) related operations of M/s. Elite Enterprise including the import of goods from China. As stated by the authorized representative of M/s. Elite Enterprise in his statement dated 05.06.2026, Shri Pradeep Bajaj is the proprietor who is responsible for the affairs of the firm including the filing of the Bills of Entry. The Bills of Entry No. 7778893 and 7779729, both dated 27.02.2026, were filed under the IEC of M/s. Elite Enterprise and contain declarations of description, classification, quantity and value which are false and incorrect in material particulars — as established through scientific testing by The Laboratories, Textile Committee, Mumbai, and admitted by the authorized representative of the firm. By causing the filing of Bills of Entry containing false and incorrect declarations in material particulars — namely description (declared as PVC Coated Polyester Fabric; actual: Dyed Woven Polyester Filament Fabric with elastomeric yarn), classification (declared CTI 59031090/59039090; actual CTI 54075290), quantity (declared 98,820 sq. mtrs.; actual 4,22,635.67 sq. mtrs.) and value (declared Rs. 16,34,680/-; re-determined Rs. 4,27,24,240/-) — Shri Pradeep Bajaj has knowingly and intentionally caused to be made, signed and used declarations which are false and incorrect in material particulars in the transaction of Customs business for the purposes of the Customs Act, 1962. Accordingly, Shri Pradeep Bajaj, Proprietor of M/s. Elite Enterprise, has rendered himself liable for penalty under **Section 114AA** of the Customs Act, 1962.

22. In view of the aforesaid discussions and findings, I pass the following ORDER:

ORDER

(i) I reject the declared description, quantity and classification of the imported goods covered under both subject Bills of Entry and Order to re-described, re-quantified and re-classified the same as under:

Bill of Entry No.(Z-type)	**Date**	**Declared Description**	**Declared CTI**	**Declared Quantity (SQM)**	**Correct Description**	**Correct CTI**	**Re-determined Quantity (SQM)**
7778893	27.02.2026	Polyester Fabric with PVC Coated Width (58"+/-10%)	59031090	49,200	Dyed woven polyester filament fabric containing textured filament yarn with 4.0% elastomeric yarn (polyurethane)	54075290	2,07,028.27
7779729	27.02.2026	Polyester Fabric with PVC Coated Width (58"+/-10%)	59039090	49,620	Dyed woven polyester filament fabric containing textured filament yarn with 4.1% elastomeric yarn (polyurethane)	54075290	2,15,607.4

(ii) I reject the declared total assessable value of **Rs. 16,34,680/- (Rupees Sixteen Lakh Thirty Four Thousand Six Hundred and Eighty Only) of** both subject Bills of Entry, under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine the total assessable value at **Rs. 4,27,24,240/- (Rupees Four Crores Twenty Seven Lakh Twenty Four Thousand Two Hundred and Forty Only)** under Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, as discussed in Para 10 supra.

(iii) I order re-assessment of the subject bills of entry 7778893 & 7779729 both dated 27.02.2026 under Section 17(4) of the Customs Act, 1962, as above, and to levy differential duty of **Rs. 1,18,83,518/- (Rupees One Crore Eighteen Lakh**

Eighty Three Thousand Five Hundred and Eighteen Only), as detailed in Table-J of para 11.6 supra.

(iv) I order confiscation of the goods — **Dyed Woven Polyester Filament Fabric containing Textured Filament Yarn with Elastomeric Yarn, total quantity 4,22,635.67 sq. mtrs.**, imported by M/s. Elite Enterprise vide Bill of Entry No. 7778893 dated 27.02.2026 and Bill of Entry No. 7779729 dated 27.02.2026, having re-determined assessable value of **Rs. 4,27,24,240/- (Rupees Four Crores Twenty Seven Lakh Twenty Four Thousand Two Hundred and Forty Only)**, seized vide Seizure Memo dated 23.06.2026, under **Section 111(m)** of the Customs Act, 1962. However, I give M/s. Elite Enterprise an option to redeem the said goods on payment of Redemption Fine of **Rs. 42,00,000/- (Rupees Forty Two Lakh Only)** under Section 125(1) of the Customs Act, 1962, subject to payment of applicable customs duty and charges.

(v) I impose a penalty of **Rs. 11,00,000/- (Rupees Eleven Lakh Only)** on **M/s. Elite Enterprise (IEC No. CRWPB9517Q)**, situated at Office No. 342, Third Floor, Vardhman Diamond Plaza, Paharganj, Motia Khan, Delhi — 110055, under Section 112(a)(ii) of the Customs Act, 1962. I do not impose penalty under Section 112(b) of the Customs Act, 1962 simultaneously, for the reasons discussed above.

(vi) I impose a penalty of **Rs. 1,00,000/- (Rupees One Lakh Only)** on **Shri Pradeep Bajaj, Proprietor of M/s. Elite Enterprise**, situated at Office No. 342, Third Floor, Vardhman Diamond Plaza, Paharganj, Motia Khan, Delhi — 110055, under Section 114AA of the Customs Act, 1962.

23. This Order is issued without prejudice to any other action which may be contemplated against the importer or any other person under the provisions of the Customs Act, 1962 and rules/regulations framed thereunder or under any other law for the time being in force.

Encl: As Above.

Digitally signed by Dipakbhai Zala
Date: 21-08-2026 18:18:10

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

To,

(i) M/s. Elite Enterprise (IEC No. CRWPB9517Q),

Office No. 342, Third Floor, Vardhman Diamond Plaza,

Paharganj, Motia Khan, Delhi — 110055

(ii) Shri Pradeep Bajaj, Proprietor of M/s. Elite Enterprise,

Office No. 342, Third Floor, Vardhman Diamond Plaza,

Paharganj, Motia Khan, Delhi — 110055

Copy to:

1. The Additional Director General, DRI, Ahmedabad Zonal Unit

2. The Dy./Asstt. Commissioner (RRA/TRC), Customs House, Mundra.

3. The Dy./Asstt. Commissioner (EDI), Customs House, Mundra... (with the direction to upload on the official website immediately)