
		<p>कार्यालयशुल्क सीमा आयुक्त प्रधान :, मुन्द्रा सीमा शुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात-370421 OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421 Email ID: group3-mundra@gov.in</p>	
A.	File NO.	:	CUS/APR/1618/2026-Gr 3-O/o Pr Commr -Cus-Mundra Mundra
B.	Order-in-Original No.	:	MCH/ADC/ZDC/38/2026-27
C.	Passed by	:	Dipak Zala, Additional Commissioner of Customs, Customs House, AP & SEZ, Mundra
D.	Date of order and Date of issue	:	20.04.2026 20.04.2026
E.	Bill of Entry No.	:	SEZ (Z-Type) Bill of Entry No. 5635245 dated 11.11.2025
F.	SCN F. No. & Date	:	SCN Waived on the request of the importer
G.	Noticee(s)/Party/Importer	:	M / s. Moon Star Traders (IEC: ABWFM4349P), Shop No. 01, Plot No. 1, G Block, POC Sector-16, Rohini, Delhi-110089
H.	DIN	:	20260471MO000081867E

1. यह अपील आदेश संबन्धित को निशुल्कप्रदान: 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 सीमाशुल्क अपील नियमावलीके 1982 नियम 3 के साथ पठित सीमाशुल्क अधिनियमकी 1962 धारा128 A के अंतर्गत प्रपत्रसीए- 1-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

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

सीमाशुल्क आयुक्त(अपील) ,

चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड,

नवरंगपुरा, अहमदाबाद009 380-

THE COMMISSIONER OF CUSTOMS (APPEALS), Ahmedabad

4th Floor, HUDCO Building, Ishwar Bhuvan Road,

Navrangpura, Ahmedabad-380 009

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

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

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

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

i. उक्त अपील की एक प्रति और

A copy of the appeal, and

ii. इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची 1-के अनुसार न्यायालय शुल्क अधिनियम 1870-केमदसं. 6-में निर्धारित 5रुपये -/ 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. अपीलजापनकेसाथड्यूटिब्याज/ दण्ड/ जुर्मानाआदिकेभुगतानकाप्रमाणसंलग्नकियाजानाचाहिये। /

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

6. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम,और 1982 सीमाशुल्क अधिनियम,के 1962 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 7.5भुगतान % 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. On the basis of intelligence developed, it was found, that the consignment of goods imported by the importer M/s. Moon Star Traders (IEC: ABWFM4349P), Shop No. 01, Plot No. 1, G Block, POC Sector-16, Rohini, Delhi-110089 (hereinafter referred as 'Importer' for sake of brevity) and covered under SEZ (Z type) Bill of Entry No. 5635245 dated 11.11.2025 which is declared to contain Polyester Dyed Laminated Fabric (CTH: 59039090) appear to be risky for mis-declaration/concealment of goods. Accordingly, the said consignment was put on hold for 100% examination by SIIB, Custom House, Mundra.

EXAMINATION AND INVESTIGATION:

2.1 The relevant details as mentioned in the SEZ (Z type) Bill of Entry No. 5635245 dated 11.11.2025 are as follows:

- Name & Address of the Importer: M/s. Moon Star Traders (IEC: ABWFM4349P), Shop No. 01, Plot No. 1, G Block, POC Sector-16, Rohini, Delhi-110089, Name & Address of the Supplier: M/s Suzhou Yuncheng Exim Co. Ltd. ,No. 110, LIZE Road, Wujiang City, Jiangsu, China.
- No of Packages declared: 981 Pkgs.

Further, summary of the goods/items have been declared by the importer in the Bill of Entry are as under:

Table-1

Item No.	CTH	Description of Item	Unit Price (in USD)	Quantity	UQC	Amount (in USD)
1	59031090	PVC Coated Plain Polyester Fabric	0.18	36130.23	SQM	6503.44

2.2. The officers of the SIIB Section, Customs House, Mundra conducted examination of the said consignment imported vide SEZ (Z type) Bill of Entry No. 5635245 dated 11.11.2025, stuffed in Container No. ZCSU7179860/40' on 29.11.2025 in presence of authorized representative of the importer.

2.3. During examination of the goods imported, the total number of Package/bundles has been found as 981 Packages. Further, the details of the Goods found during examination are as mentioned as below:

Table-2

Sr. No.	SEZ (Z Type) Bill of Entry No & Date	Description of item	No. of rolls	Weight of each roll (in Kgs)	Total Gross Weight found of such fabrics rolls (in Kgs)	Weight of cargo as per CFS weighment slip (in kgs)
1	5635245 dated 11.11.2025	Type I Fabric Rolls (Red, visually appearing to be PVC coated Polyester fabric)	69	27.5	1898	27500
2		Type II Fabric Rolls (Blue, visually appearing to be PVC coated Polyester fabric)	279	28.1	7840	
3		Type III Fabric Rolls (Navy Blue, visually appearing to be PVC coated Polyester fabric)	139	27.2	3781	
4		Type IV Fabric Rolls (Black, visually appearing to be PVC coated Polyester fabric)	277	28.1	7784	
5		Type V Fabric Rolls (Black, visually appearing to be PVC coated Polyester fabric)	217	27.9	6054	
Total			981		27356	27500

2.4. Further, representative samples were drawn and sent for lab test to the CRCL, Kandla to ascertain/confirm the nature and description of the material used for the said imported items. The test reports received from the CRCL, Kandla in respect of the Test Memo No. 417-421/2025-26 dated 29.11.2026, in the instant case, are found as under:

Table-3

Sr . No . (a s p e r T e s t R e p o r t)	Query as per Test Me mo	Test Memo No /CRCL Lab Report No				
		417/2025-26/ SIIB-8276	418/2025-26/ B-8277	SII 419/2025-26 / SIIB-8278	420/2025-26/ SIIB-8279	421/2025- 26/ SIIB-8 280
1	Descri ption o f the s ample as rece ived	Cut piece of d yed (red colou red) woven fa bric having la mination (mar ked as HEAV EN PRO) on on e side	Cut piece of dye d (greyish colour ed) woven fabric having black pol ymeric laminatio n printed as PAN THER on one sid e	Cut piece of dyed (grey c oloured) wo ven fabric h aving black smooth coat ing on one s ide	Cut piece of d yed (blue colo ured) woven fa bric having la mination (mar ked as HEAVE N PRO) on one side	Cut piece of dyed (blue coloured) fab ric havin g laminat ion on on e side
2	Compos ition	Polyester fila ment yarn	Polyester filame nt yarn	Polyester fil ament yarn	Polyester filam ent yarn	Polyester filament yarn
4	%age co mpositio n	% polyester=34. 98% PVC=balance	% polyester=39.52 % PVC=balance	% polyester=2 9.5% PVC=balance	% polyester=40. 58% %of coating mat erial (PVC)=bala nce	% polyester =38.78% PVC=balan ce
5	Whether Coated/ impregn ated	Lamination is co mposed of comp ounded polyvin ylchloride (PVC)	Lamination is com posed of polymer b ased on compound ed polyvinylchlorid e (PVC)	Coating is co mposed of co mpounded pol yvinylchloride (PVC)	Coating is comp osed of polymer based on compo unded polyvinyl chloride (PVC)	Lamination is compose d of compo unded poly vinylchlori de (PVC)
6	Wheth er Stap le spu n yarn /filam ent yar n/stap le fibre	Filament yarn	Filament yarn	Filament yarn	Filament yarn	Filament y arn
7	Width (selved ge to s elvedg e)	150 cm	150 cm	152 cm	154 cm	152 cm
8	GSM	406.94	424.2	361.3	413.9	436.5

2.5. The above-mentioned test reports were sent to the importer vide email

dated 06.02.2026 requesting them to intimate this office whether the said test reports were acceptable to them or otherwise. The importer vide their email dated 06.02.2026 has replied and submitted that they agree with the Test Report.

2.6. As per the above said Test Reports, goods have tested as per below mentioned table:

Table-4

Sr. No	Description of goods as per Bill of Entry/CTH	Description as per Test Report from CRCL Lab	Appropriate CTH as per Test Reports	Total Weight (in Kgs)	GSM as per Test Report
1	PVC Coated Plain Polyester Fabric (CTH: 59031090)	Polyester dyed laminated (PVC) fabric	59031090	1898	406.94
2		Polyester dyed laminated (PVC) fabric	59031090	7840	424.2
3		Polyester dyed coated (PVC) fabric	59031090	3781	361.3
4		Polyester dyed coated (PVC) fabric	59031090	7784	413.9
5		Polyester dyed laminated (PVC) fabric	59031090	6054	436.5

From above, it appears that goods mentioned above have been declared as PVC Coated Plain Polyester Fabric under CTH: 59031090 in SEZ (Z type) Bill of Entry No. 5635245 dated 11.11.2025 while goods at Sr No. 1,2 and 3 of table no. 4 tested as Polyester dyed laminated (PVC) fabric classifiable under CTH: 59031090.

2.7. In the present matter, DTA Bill of Entry has not been filed till date. Here, it is pertinent to mention that as per Rules 48 of SEZ rules, 2006, some of the provisions of Customs Act, 1962 come in picture only after filling of DTA bill of Entry.

The Rule 47 (4) of the SEZ Rules, 2006 read as under:

(4) Valuation and assessment of the goods cleared into Domestic Tariff Area shall be made in accordance with Customs Act and rules made thereunder.

The Rule 48(2) of the SEZ rules is reproduced below:

“(2) Valuation of the goods and/or services cleared into Domestic Tariff Area shall be determined in accordance with provisions of Customs Act and rules made thereunder as applicable to goods when imported into India”

2.8. Here, it is pertinent to mention that the importer has filed a SEZ WH/Z Type Bill of Entry for Home consumption without any mention of re-export, and during self-assessment, they have levied the applicable BCD instead of recognizing the non-applicability of BCD in the case of re-export. Additionally, it

Sr. No.	Description (as per Test Report)	No. of rolls on examination	Quantity in KGS on examination (gross)	GSM as per test report	Quantity in SQM on examination (net)	Per unit avg suggestive CIF value of goods in bulk quantity in USD	Total Average suggestive CIF value of goods in bulk quantity in USD	Assessable Value (in INR) as per CE valuation	value ascertained by CE			
									BCD	SWS	IGST	TOTAL
1	Polyester dyed laminated (PVC) fabric	69	1898	406.94	4663	0.18	839	75119	15023.7	1502.4	4582.2	2110
2	Polyester dyed laminated (PVC) fabric	279	7840	424.2	18482	0.18	3327	297739	59547.8	5954.8	18162.1	8366
3	Polyester dyed coated (PVC) fabric	139	3781	361.3	10464	0.22	2302	206045	41208.9	4120.9	12568.7	5789
4	Polyester dyed coated (PVC) fabric	277	7784	413.9	18806	0.22	4137	370285	74057.0	7405.7	22587.4	10405
5	Polyester dyed laminated (PVC) fabric	217	6054	436.5	13870	0.18	2497	223447	44689.5	4468.9	13630.3	6278
	TOTAL						13102	1172635	234526.9	23452.7	71530.7	32951

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2.11. The importer has declared the total assessable value of the consignment as Rs. 5,82,058/- in the SEZ Z Type Bill of Entry No. 5635245 dated 11.11.2025. However, as per the report submitted by the Chartered Engineer the suggestive value of the consignment is Rs. 11,72,635/-. Thus, it appears that the subjected consignment has been undervalued to the extent of Rs. 5,90,577/- on account of mis-declaration of the imported goods by the said importer.

2.12. Thus, by way of mis-declaration of the items in terms of description, as discussed above, short levy of the Customs duty to the tune of Rs. 1,65,952/- (BCD- 1,18,115/-+ SWS-11,811.5/- +IGST- 36,025/- has been observed in the present matter.

2.13. The said importer vide their letter dated 20.02.2026 also submitted that they are agreed with the value ascertained for each of the products as per CE report The importer has also submitted that they do not want any show cause

notice or personal hearing in this matter and they are ready to pay whatever duty, penalty, redemption fine or other charges as imposed by the Competent Authority under the provisions of Customs Law.

LEGAL PROVISIONS:

3.1. As per Section 2 (39), '**smuggling**', in relation to any goods, means *any act or omission which will render such goods liable to confiscation under section 111 or section 113;*

3.2. **SECTION 46** of the Act, prescribes that the importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed.

3.3. Further, **Section 111** of the Act, prescribes the Confiscation of improperly imported goods, etc. as under

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

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

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

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

Any person, -

*(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or
(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harboring, 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 not exceeding the value of the goods or five thousand rupees, whichever is the greater;

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:

Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;]

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

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

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

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

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

- a. *is given a notice in writing with the prior approval of the officer of Customs not below the rank of an Assistant Commissioner of Customs, informing him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;*
- b. *is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and*

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

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

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

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

(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time

being in force, and shall, in the case of any other goods, give to the owner of the goods or, where such owner is not known, the person from whose possession or custody such goods have been seized, an option to pay in lieu of confiscation such fine as the said officer thinks fit:

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

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

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

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

4. OUTCOME OF THE INVESTIGATION:

4.1. From the above discussion, it appears that the importer has filed SEZ Z Type Bill of Entry No. 5635245 dated 11.11.2025 for import of PVC Coated Plain Polyester Fabric under CTH: 59031090. Upon investigation, it was noticed that the items under import were mis-declared in terms of classification and quantity as mentioned at Table 04 above. Therefore, value of the consignments declared by the importer under Rule 3 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 ('CV Rules' for sake of brevity) appears liable to be rejected in terms of Rule 12 of the Rules, *ibid*. Since, the items found during the examination are of unbranded with no specification, the valuation of the same could not be determined in terms of Rule 4 to 8 of the CV Rules, *ibid*. Therefore, valuation of the goods was found to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid* and hence, opinion of the empanelled Chartered Engineer was sought for determination of the value of the goods under import.

4.2. Further, as per the empanelled Chartered Engineer report, the value of the consignment under import is ascertained to Rs. 11,72,635/- against declared value of Rs. 5,82,058/-. Thus, it appears that the subjected consignment was undervalued to the tune of Rs. 5,90,577/- on account of mis-declaration of the imported goods in terms of quantity. Thus, by way of mis-declaration of the items under import, in terms of quantity, as worked out at Para-2.12 short levy of the Customs duty to the tune of Rs. 1,65,952/- (BCD-1,18,115/- + SWS-11,811.5/- +IGST- 36,025/- has been detected in the present

case & the same is recoverable from the importer.

4.3. Accordingly, it is found that the goods imported by the said importer (as mentioned in above paras) having assessable value ascertained to Rs. 11,72,635/- are not correctly included in the SEZ Z Type Bill of Entry No. 5635245 dated 11.11.2025 filed by the said importer as well as do not correspond in respect of value and particulars thereof. Hence, the said goods (as mentioned in paras above) having assessable value ascertained to Rs. 11,72,635/- are found liable for confiscation under Section 111 (l) and 111 (m) of the Customs Act, 1962.

4.4. In view of the above, it is found that the importer has mis declared the items under import vide SEZ Z Type Bill of Entry No. 5635245 dated 11.11.2025 in terms of description and value thereof. Therefore, it appears that the importer has contravened Section 14 and Section 46 of the Customs Act, 1962 read with Rule 11 of the CVR, 2007 in as much as the failed to declare correct value of the goods in the Customs document filed by them. These acts of omission and commission on the part of importer have made the imported goods [as mentioned in as mentioned in paras above] having re-determined value of Rs 11,72,635/- covered under SEZ Z Type Bill of Entry No. 5635245 dated 11.11.2025 are liable for confiscation under Section 111 (l) & 111 (m) of the Act, ibid and has thus rendered themselves liable for penal action under Section 112 (a)(i) of the Customs Act, 1962.

4.5. In the instant case, as mentioned in Paras above, the goods have been found mis-declared by the said importer in the said Bill of Entry. Further, Section 114AA of the Customs Act, 1962, prescribed that "If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods". Accordingly, in the instant case, it also appears that the importer made themselves liable to the penalty leviable under said Section 114AA of the said Act.

4.6. Furthermore, it appears that by mis-declaring the quantity and accordingly, value of the goods under import, the importer has also short levied the duty amounting to Rs. 1,65,952/- (BCD- 1,18,115/-+ SWS-11,811.5/- +IGST- 36,025/- which is required to be added into the respective DTA Bill of Entry, likely to be filed by the importer.

5. WAIVER OF NOTICE AND PERSONAL HEARING:

The said importer vide their email dated 20.02.2026 also submitted that they do not want any show cause notice or personal hearing in this matter and

they are ready to pay whatever duty, penalty, redemption fine or other charges as imposed by the Competent Authority under the provisions of Customs Law.

6. In view of the above, an **Investigation Report No. 04/2026-27** dated 01.04.2026 bearing F. No. Cus/SIIB/461/2025-SIIB- O/o Pr Commr-Cus-Mundra has been issued by the Deputy Commissioner (SIIB), Customs House, Mundra proposing adjudication of the following matter:

- i. The goods imported vide SEZ Z Type Bill of Entry No. 5635245 dated 11.11.2025 (as mentioned in paras above) are required to be correctly declared in the said B.E. and the said B.E. needs to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962.
- ii. The declared value, i.e. Rs. 5,82,058/- of the consignment covered under Z Type SEZ Bill of Entry No 5635245 dated 11.11.2025 is liable to be rejected at the time of filing DTA B.E, under Rule 12 of the CVR, 2007 and required to be re-determined at Rs 11,72,635/- as opined by the CE report at the time of filling of DTA Bill of Entry in terms of Rule 9 of the Rules, *ibid*, read with Rule 47 (4) of the SEZ Rules, 2006;
- iii. The imported goods having re-determined value of Rs 11,72,635/- are liable for confiscation under Section 111 (l) & (m) of the Act, *ibid*;
- iv. The differential duty amounting Rs. 1,65,952/- (BCD- 1,18,115/-+ SWS- 11,811.5/- +IGST- 36,025/-) short levied on the imported items by the importer is required to be added (in addition to the total amount of Rs 1,63,558/- declared as duty in the Z Type SEZ Bill of Entry No. 5635245 dated 11.11.2025 into the DTA Bill of Entry, likely to be filed by the importer and to be recovered accordingly.
- v. Penalty under Section 112 (a)(ii) of the Customs Act, 1962 is imposable upon the importer, as discussed in Para 4.3 & 4.4 above.
- vi. Penalty under Section 114AA of the Customs Act, 1962 is imposable upon the importer as discussed in Para-4.5 above.

SHOW CAUSE NOTICE AND PERSONAL HEARING

7. The importer, vide their email dated 06.02.2026, expressed acceptance of the CRCL Lab test results. Further, they vide email dated 20.02.2026, expressed agreement with the CE report and requested waiver of issuance of Show Cause Notice and personal hearing in the matter. Additionally, vide letter dated 15.04.2026, they have again requested to waive the Show Cause Notice and Personal Hearing and decide the matter on merit.

DISCUSSION AND FINDINGS

8.1. I have carefully gone through the facts of the case, impugned investigation report and submissions of the importer. I note that the consignment in question was examined by the SIIB, Customs House, Mundra. I note that during the examination, SIIB drawn representative samples from the

cargo and forwarded to CRCL Kandla for testing. I note that, as per investigation report, the goods do not merit declared description. I observe that the value of the goods was subsequently re-determined by the SIIB based on the opinion of an empanelled chartered engineer. I note that the importer vide their email/letter dated 20.0.2026 & 15.04.2026 have waived their right to a show cause notice and personal hearings. Thus, I find that the principles of natural justice have been fully complied with in the instant matter. With this understanding, I find that following matters are to be decided at the stage of adjudication:

(i) Whether the declared description, classification and quantity under impugned Z-Bill of Entry are correct or whether the same are liable to be rejected and required to be re-determined in terms of outcomes of the investigation?

(ii) Whether the assessable value of the goods declared by the importer under impugned bill of entry is liable to be rejected and replaced with the value re-determined during the investigation?

(iii) Whether the impugned bill of entry requires re-assessment under Section 17(4) of the Customs Act, 1962?

(iv) Whether the impugned goods are liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962 and the importer is liable to penalties under Sections 112(a)(ii), and 114AA of the Act, *ibid*.

8.2. I have carefully examined the relevant legal provisions, facts and circumstances of the case. I now proceed to adjudicate above framed issues.

Discussion and Findings regarding Description, Classification and Quantity of the Goods:

9.1. I find that the importer M/s. Moon Star Traders (IEC: ABWFM4349P) have imported the goods under Container No. ZCSU7179860 vide SEZ (Z-Type) Bill of Entry No. 5635245 dated 11.11.2025 with following details:

Item No.	CTH	Description of Item	Unit Price (in USD)	Quantity	UQC	Amount (in USD)
1	59031090	PVC Coated Plain Polyester Fabric (981 Packages)	0.18	36130.23	SQM	6503.44

9.2. I find that, based on specific intelligence, the examination of the

impugned goods was conducted by the SIIB, Customs, House, Mundra on 29.11.2025 in the presence of authorized representative of the importer. I note that during examination of the impugned goods, the total numbers of Package/bundles were found as 981 Packages. Further, the details of the goods found during examination are as follows:

Sr. No.	SEZ (Z Type) Bill of Entry No & Date	Description of item	No. of rolls	Weight of each roll (in Kgs)	Total Gross Weight found of such fabrics rolls (in Kgs)	Weight of cargo as per CFS weighment slip (in kgs)
1	5635245 dated 11.11.2025	Type I Fabric Rolls (Red, visually appearing to be PVC coated Polyester fabric)	69	27.5	1898	27500
2		Type II Fabric Rolls (Blue, visually appearing to be PVC coated Polyester fabric)	279	28.1	7840	
3		Type III Fabric Rolls (Navy Blue, visually appearing to be PVC coated Polyester fabric)	139	27.2	3781	
4		Type IV Fabric Rolls (Black, visually appearing to be PVC coated Polyester fabric)	277	28.1	7784	
5		Type V Fabric Rolls (Black, visually appearing to be PVC coated Polyester fabric)	217	27.9	6054	
Total			981		27356	27500

9.3. I note that, during the examination, representative samples were drawn and sent for lab test to the CRCL, Kandla to ascertain the nature and description of the materials used in the above-mentioned imported items. I note the CRCL, Kandla submitted the following test results:

Sr. No.	Query as per Test Memo (as per Test Report)	Test Memo No /CRCL Lab Report No				
		417/2025-26/ SIIB-8276	418/2025-26/ SIIB-8277	419/2025-26/ SIIB-8278	420/2025-26/ SIIB-8279	421/2025-26/ SIIB-8280
1	Description of	Cut piece of dyed (red colour)	Cut piece of dyed (greyish colour)	Cut piece of dyed (grey colour)	Cut piece of dyed (blue colour)	Cut piece of dyed (

	of the sample as received	red) woven fabric having lamination (marked as HEAVEN PRO) on one side	ed) woven fabric having black polymeric lamination printed as PANTHER on one side	coloured) woven fabric having black smooth coating on one side	ured) woven fabric having lamination (marked as HEAVEN PRO) on one side	blue colored) fabric having lamination on one side
2	Composition	Polyester filament yarn	Polyester filament yarn	Polyester filament yarn	Polyester filament yarn	Polyester filament yarn
4	%age composition	% polyester=34.98% PVC=balance	% polyester=39.52% PVC=balance	% polyester=29.5% PVC=balance	% polyester=40.58% %of coating material (PVC)=balance	% polyester=38.78% PVC=balance
5	Whether Coated/impregnated	Lamination is composed of compounded polyvinylchloride (PVC)	Lamination is composed of polymer based on compounded polyvinylchloride (PVC)	Coating is composed of compounded polyvinylchloride (PVC)	Coating is composed of polymer based on compounded polyvinylchloride (PVC)	Lamination is composed of compounded polyvinylchloride (PVC)
6	Whether Staple spun yarn /filament yarn/staple fibre	Filament yarn	Filament yarn	Filament yarn	Filament yarn	Filament yarn
7	Width (selvedge to selvedge)	150 cm	150 cm	152 cm	154 cm	152 cm
8	GSM	406.94	424.2	361.3	413.9	436.5

9.4. I note that, the aforesaid CRCL test reports were communicated to the importer vide email dated 06.02.2026. The importer, in response vide email dated 06.02.2026, conveyed their acceptance of the said test reports.

9.5. I find that the importer has declared the goods as, “PVC Coated Plain Polyester Fabric [CTH 59031090]”. However, I find that the CRCL test results indicate that the goods are “**PVC Coated/Laminated Dyed Polyester Fabric**”. Hence, I find that the goods do not merit the declared description. Further, for the purpose of classification of the impugned goods, I refer to the Customs Tariff and find that, the imported goods being woven fabric laminated/coated with plastic Polyvinyl Chloride (PVC) fall under customs tariff heading 5903. The relevant extract of the said heading is as below:

5903 Textile Fabric impregnated, coated, covered or laminated with plastics, other than those of heading 59.02

590310 - With Polyvinyl chloride:
59031010 --- Imitation leather fabrics of Cotton
59031090 --- Other

590320 - With Polyurethane:
 59032010 --- Imitation leather fabrics, of cotton
 59032090 --- Other

590390 - Other:
 59039010 --- Of Cotton
 59039020 --- Polyethylene laminated jute fabrics
 59039090 --- Other.

9.6. Thus, I find that the goods being woven fabric and coated/laminated with PVC plastic material are correctly classifiable under the CTH 59031090. I also note that the importer has declared the same item classification. Accordingly, I find that the declared classification of the goods is correct and does not require any modification. Therefore, I re-determine the description and classification of the goods as under:

Sr. No.	Description and CTH of goods as per Bill of Entry	Re-determined description as per CRCL Test Report	Appropriate CTH as per Test Reports
1	PVC Coated Plain Polyester Fabric (CTH: 59031090)	Polyester dyed laminated (PVC) fabric	59031090
2		Polyester dyed laminated (PVC) fabric	59031090
3		Polyester dyed coated (PVC) fabric	59031090
4		Polyester dyed coated (PVC) fabric	59031090
5		Polyester dyed laminated (PVC) fabric	59031090

9.7. Further, I note that the importer declared the total number of packages as 981, which was found correct upon examination. However, I find that the importer has declared total quantity of the goods as 36130.23 SQM. However, I observe that, the SIIB, on the basis of net weight of cargo, and, GSM of the samples reported by the CRCL Lab, has found total quantity of the goods as 66,285 SQM as under:

Sr. No.	Re-determined Description of Goods as per Test report	Re-determined quantity (in SQM)
1	Polyester dyed laminated (PVC) fabric	4,663
2	Polyester dyed laminated (PVC) fabric	18,482
3	Polyester dyed coated (PVC) fabric	10,464
4	Polyester dyed coated (PVC) fabric	18,806
5	Polyester dyed laminated (PVC) fabric	13,870
	Total	66,285

9.8. In light of the above, I conclude that the importer has mis-declared the goods imported vide impugned Z-Bill of Entry in terms of description, quantity and no. of items. Hence, I agree with the findings of the investigation and accept the re-determined details of the description, quantity and no. of items of the impugned goods, as per forgoing discussion and findings.

Discussion and Finding Regarding Valuation of the Goods:

10.1. I find that the importer has declared the value of the impugned goods at **Rs.5,82,058/-**. However, I observe that the investigation has recommended rejection of the declared value and has proposed acceptance of a re-determined assessable value. Hence, I consider it appropriate to address the issue of valuation of the goods.

10.2. I find that the valuation of goods imported into an SEZ is determined in accordance with Section 14 of the Customs Act, 1962, read with the provisions of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (hereinafter referred to as "the CVR, 2007"). To proceed further, it is pertinent to refer to the aforesaid provisions governing the valuation of the imported goods.

10.3. Firstly, I refer to the **Section 14** of the Act, which provides that, for the purposes of the Customs Tariff Act or any other law, the value of imported goods shall be the **transaction value**, i.e., the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, where the buyer and seller are unrelated and the price is the sole consideration, subject to conditions specified in the rules.

10.4. I further refer to the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. I note that Rule 3(1) of the CVR, 2007 provides that subject to Rule 12, the value of imported goods shall be the transaction value, adjusted in accordance with the provisions of Rule 10. I note that Rule 12 of the CVR, 2007 stipulates that where the proper officer has reason to doubt the declared value, such value shall be determined in accordance with Rules 4 to 9.

10.5. I observe that under Rule 4 of the CVR, 2007, the value is to be determined on the basis of the transaction value of identical goods and, in the absence of identical goods, under Rule 5 on the basis of similar goods. Rule 6 provides that where the value cannot be determined under Rules 4 or 5, valuation is to be carried out under the deductive value method prescribed under Rule 7 or the computed value method under Rule 8. Finally, Rule 9 provides for a residual method, whereby the value is to be determined using reasonable means consistent with the principles and general provisions of the CVR, 2007 and Section 14 of the Customs Act, 1962, when none of the preceding methods are applicable.

10.6. Since, in the present case, the goods have been found mis-declared in terms of description, no. of items and quantity; I find that the declared value is doubtful and cannot be accepted as transaction value in terms of Section 14 of the Customs Act, 1962, read with Rule 3 of the CVR, 2007. Accordingly, I find that the valuation is to be determined under the subsequent provisions of the CVR, 2007.

10.7. I find that the impugned goods are found of different description and details. I further find that the import data in respect of contemporaneous imports of identical and similar goods of comparable quality and composition was not available. Therefore, the value could not be determined under Rules 4 and 5 of the CVR, 2007. Proceeding sequentially, I find that as per Rule 6 *ibid*, where the value cannot be determined under Rule 3, 4 and 5, it shall be determined under Rule 7 on the basis of the deductive value method, and if not determinable thereunder, then under Rule 8. However, for the reasons detailed above, the values also could not be determined under Rule 7 *ibid*. Further, I find that for the application of Rule 8, the cost of production or processing involved in the imported goods was not available. Thus, I find that in the absence of requisite data, the value could not be determined under the provisions of 4 to Rule 8 *ibid*. Therefore, I find that the value of the impugned goods is required to be re-determined under Rule 9 which provides for a residual method, whereby the value is to be determined using reasonable means consistent with the principles and general provisions of the CVR, 2007 and Section 14 of the Customs Act, 1962.

10.8. I find that a Chartered Engineer was appointed to determine the value of the impugned goods under Rule 9 *ibid*. I find that the Chartered Engineer vide his CE Report No. ABJ:INSP:CE:MUN:SIIB:SH:JBM:25-26:46 dated 19.02.2026 suggested the valuation of the impugned goods as under:

(Exchange rate: \$1 = Rs.89.5)

Sr. No.	Description (as per Test Report)	No. of rolls on examination	Quantity in KGS on examination (gross)	GSM as per test report	Quantity in SQM on examination (net)	Per unit avg suggestive CIF value of goods in bulk quantity in USD	Total Average suggestive CIF value of goods in bulk quantity in USD	Assessable Value (in INR) as per CE valuation
1	Polyester dyed laminated (PVC) fabric	69	1898	406.94	4663	0.18	839	75119
2	Polyester dyed laminated (PVC) fabric	279	7840	424.2	18482	0.18	3327	297739
3	Polyester dyed coated (PVC) fabric	139	3781	361.3	10464	0.22	2302	206045
4	Polyester dyed coated (PVC) fabric	277	7784	413.9	18806	0.22	4137	370285
5	Polyester dyed laminated (PVC) fabric	217	6054	436.5	13870	0.18	2497	223447
	TOTAL						13102	1172635

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10.9. I find that the importer has declared the total assessable value of the consignment as Rs. 5,82,058/- in the impugned Bill of Entry. However, as per the CE Report the suggestive value of the consignment is Rs.11,72,635/-. I further find that during the investigation the above-mentioned valuation report of the Charter Engineer was also communicated to the importer, who has accepted the same vide their letter dated 20.022026. Thus, I find that the subject consignment has been undervalued by the importer.

10.10. In view of the above, I hold that the assessable value of **Rs.5,82,058/-** declared by the importer in the impugned bill of entry is liable to be rejected. Further, I agree with the valuation report of the chartered engineer and accordingly accept the re-determined assessable value of **Rs.11,72,635/-**.

Re-assessment of the Bill of Entry:

11.1. I observe that the impugned goods are subject to an effective BCD @ 20 %, SWS @ 10% of BCD, and IGST @ 5%. I further observe that Section 17(1) of the Customs Act, 1962, mandates self-assessment and places a statutory obligation on the importer to correctly declare description, classification,

quantity, value etc. of the imported goods to ensure correct levy and discharge the duty. However, in the present case, I find that in the bill of entry, the goods have been mis-declared in various aspects. Further, the importer has declared the total assessable value of the consignment as Rs.5,82,058/-. However, as per the report submitted by the Chartered Engineer the value of the consignment is Rs.11,72,635/-. Thus, I find that the consignment has been undervalued by Rs.5,90,577/-, which **has resulted in a short levy of duty amounting to Rs.1,65,952/-**.

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

Confiscation of the Goods and Penal Actions:

12.1. I find that the investigation report has recommended the confiscation of the goods under Sections 111(l) and 111(m) of the Customs Act, 1962. In addition, the investigation has recommended the imposition of penalties under Sections 112(a)(ii) and 114AA of the Customs Act, 1962.

12.2. In this regard, I refer to the relevant clause of Section 111, Section 112 along with Section 114AA of the Act *ibid*, which are reproduced below:

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

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

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

Section 112. Penalty for improper importation of goods, etc. –

Any person,-

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

b. who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111, shall be liable,-

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

greater;

ii. in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:

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

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

12.3. I find that in the present case, the importer has willfully misrepresented description, quantity, and value of the imported goods. Therefore, the importer has contravened the provisions of Section 46 of the Customs Act, 1962, in as much as, they failed to make correct and true declaration to the Customs in the form of Bill of Entry. This deliberate misrepresentation of goods reflects a conscious attempt to defraud the revenue. Accordingly, the imported goods are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962. Moreover, the importer's act of attempting to import dutiable goods by way of misrepresentation renders them liable to penal action under Section 112(a)(ii) of the Customs Act, 1962.

12.4. As regards the penalty on the Importer under Section 114AA of the Customs Act, 1962, I find that the Importer has dealt with incorrect documents while filing bill of entry for the said consignment. The Importer had knowingly and intentionally made/signed/used and/or caused to be made/signed/used the import documents and other related documents which were false or incorrect in material particular such as description, quantity, value etc., with mala-fide intention, and therefore, the importer is liable to penalize under Section 114AA of the Customs Act, 1962.

Option to Pay Redemption Fine in lieu of Confiscation:

13.1. As the impugned goods are found to be liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962, I find it necessary to consider as to whether redemption fine under Section 125 of Customs Act, 1962, is liable to be imposed in lieu of confiscation in respect of the impugned goods. The Section 125 *ibid* reads as under:-

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

13.2. A plain reading of the above provision shows that imposition of redemption fine is an option in lieu of confiscation. It provides for an opportunity to owner of the goods for release of the confiscated goods by paying redemption fine where there is no restriction or policy provision for domestic clearance. I find that the impugned goods are freely importable. Therefore, I am inclined to give an option to the importer to redeem the goods on payment of redemption fine.

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

ORDER

- i. I reject the declared Description, Number of items and Quantity of the goods imported under SEZ (Z-Type) Bill of Entry No. 5635245 dated 11.11.2025, filed by the Importer M/s. Moon Star Traders, due to their mis-declaration, and I order to consider the same as per discussions and findings from Para 9.1 to 9.8 above.
- ii. I reject the total declared assessable value of Rs.5,82,058/- for the goods imported under SEZ (Z-Type) Bill of Entry No. 5635245 dated 11.11.2025, and order to consider the assessable value as **Rs.11,72,635/- (Rupees Eleven Lakh Seventy Two Thousand Six Hundred and Thirty Five Only)**, under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, read with Section 14 of the Customs Act, 1962, as per discussions and findings from Para 10.1 to 10.10 above.
- iii. I order to re-assess the SEZ (Z-Type) Bill of Entry No. 5635245 dated 11.11.2025 under Section 17(4) of the Customs Act, 1962 as per discussions and findings from Para 11.1 to 11.2 above.
- iv. I order for confiscation of the goods imported under SEZ (Z-Type) Bill of Entry No. 5635245 dated 11.11.2025 having re-determined value of Rs.11,72,635/- under Sections 111(l) & 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the same on payment of **redemption fine of Rs.1,17,000/- (Rupees One Lakh Seventeen Thousand Only)** under Section 125(1) of the Customs Act, 1962. However, if the importer fails to pay the imposed fine within a period of 120 days from the date of communication of this order, this option shall become void as per Section 125(3) of the Customs Act, 1962, unless an appeal against this order pending.
- v. I impose a penalty of **Rs.16,500/- (Rupees Sixteen Thousand Five Hundred Only)** upon the importer under Section 112(a)(ii) of the Customs Act, 1962 for attempting to import dutiable goods by way of mis-

declaration in description, quantity, no. of items and packages.

- vi. I impose a penalty of **Rs.10,000/- (Rupees Ten Thousand Only)** upon the importer under Section 114AA of the Customs Act, 1962 for use of false and incorrect material in relation to the import of the goods.

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

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

To,
M/s. Moon Star Traders,
Shop No. 01, Plot No. 1, G Block,
POC Sector-16, Rohini, Delhi-110089

Copy to:

- i. The Deputy Commissioner (SIIB), Customs, CH, Mundra.
- ii. The Dy./Asstt. Commissioner (EDI), CH, Mundra.
- iii. The Dy./Asstt. Commissioner (RRA/TRC), CH, Mundra.