कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा,
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A. File No.	**:**	**GEN/ADJ/ADC/1172/2026-Adjn-O/o Pr. Commr-Cus-Mundra**
B. SCN No.	**:**	**128/2026-27/ADC/ZDC/MCH**
C. Date of Issue		**25.08.2026**
D. Passed by	**:**	**Dipak Zala, Additional Commissioner of Customs, Customs House, AP&SEZ, Mundra.**
E. Noticess(s)/Importer	**:**	**(i) M/s Kool touch (IEC BKHPS4151G) (ii) Shri Amjad Saghir, Proprietor of M/s Kool Touch**

(Show Cause Notice under Section 124 of the Customs Act, 1962)

Whereas it appeared that:

1.1 Specific intelligence was developed that M/s Kool touch situated at 16/6226, L.G.F. Dev Nagar, Karol Bagh, New Delhi - 110055 holding IEC No. BKHPS4151G (hereinafter referred as "the Importer" for sake of brevity) was importing 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.

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

TABLE – A

Sr. No.	BE No.	BE Date	Declared Description	Declared CTH
1	7751110	26.02.2026	Polyester Dyed Laminated Fabric	59039090

Sr. No.	BE No.	BE Date	Declared Description	Declared CTH
2	7751242	26.02.2026	Polyester Dyed Laminated Fabric	59039090
3	7767154	26.02.2026	Polyester Dyed Laminated Fabric	59039090
4	7767777	26.02.2026	Polyester Dyed Laminated Fabric	59039090
5	7768810	26.02.2026	Polyester Dyed Laminated Fabric	59039090
6	7772320	27.02.2026	Polyester Dyed Laminated Fabric	59039090

2. EXAMINATION OF GOODS

2.1 The goods imported vide the above referred Bills of Entry No. 7751110, 7751242, 7767154, 7767777, 7768810 all dated 26.02.2026 and 7772320 dated 27.02.2026 was examined by the officers of Directorate of Revenue Intelligence, Ahmedabad Zonal Unit, Ahmedabad on 08.03.2026, 17.03.2026 and 19.03.2026 under panchnamas 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. 7751110, 7751242, 7767154, 7767777, 7768810 all dated 26.02.2026 and BE No. 7772320 dated 27.02.2026, were prima-facie as mis-declared with respect to the description of the goods. Accordingly, during the examination under panchnama proceeding dated 08.03.2026, 17.03.2026 and 19.03.2026, representative samples were drawn to analyze the exact nature of the fabric. Further, it was also found that the quantity of imported goods during examination was in excess of that declared in these six Bills of Entry in SQM.

2.2 During the examination under panchnamas dated 08.03.2026, 17.03.2026 and 19.03.2026, representative samples were drawn from all the six containers covered under these Bills of Entry. The fabric in each container was found to be of one varieties and therefore, one representative sample each from the containers were drawn and marked as “7751110/A-1”, “7751242/A-1”, “7767154/A-1”, “7767777/A-1”, “7768810/A-1” and “7772320 /A-1” in respect of BE Nos. 7751110, 7751242, 7767154, 7767777, 7768810 all dated 26.02.2026 and BE No. 7772320 dated 27.02.2026, respectively.

3. TESTING OF REPRESENTATIVE SAMPLES

3.1 The representative samples 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 metre);
- 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 the following test reports (RUD 01) on the basis of the tested parameters.

TABLE - B

Sr. No.	Bill of Entry No.	Date	Test Report No. and date
1	7751110	26.02.2026	0153032526-3245 dated 28.04.2026
2	7751242	26.02.2026	0153032526-3241 dated 28.04.2026
3	7767154	26.02.2026	0153032526-3246 dated 28.04.2026
4	7767777	26.02.2026	0153032526-3243 dated 28.04.2026
5	7768810	26.02.2026	0153032526-3244 dated 28.04.2026
6	7772320	27.02.2026	0153032526-3242 dated 28.04.2026

3.3 In Part I of these test reports, the Laboratory, Textile Committee, Mumbai 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 are not detected.

3.4 In Part II of these test reports, the Laboratories, Textile Committee reported on the parameters tested by them. Based on the tested results, the description of the goods was determined to be "TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)" in respect of Bill of Entry No. 7751110, 7751242, 7767154, 7767777 and 7768810 all dated 26.02.2026 and "Dyed woven polyester filament fabric containing textured filament yarn with 5% elastomeric yarn (polyurethane)" in respect of Bill of Entry No. 7772320 dated 27.02.2026.

3.5 The test reports clearly revealed that the imported goods were woven polyester filament fabrics containing elastomeric yarn (polyurethane). The reports further brought out that the imported goods were not polyester dyed laminated fabrics, classifiable under CTI 59039090, 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 metre) 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. 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 is :

$$\text{Quantity (Sq. Mtr.)} = \text{Net Weight (Kg.)} \times 1000 \div \text{GSM}$$

4.3 The comparison is tabulated below:

TABLE - C

Sr. No.	BE No.	BE Date	Declared Qty (Sq.Mtr.)	Declared / Net Weight (Kg)	GSM as per Test Report	Actual Qty based on GSM (Sq.Mtr.)	Excess Qty (Sq.Mtr.)
1	7751110	26.02.2026	84,429.00	26,562	125.2	2,12,156.55	1,27,727.55
2	7751242	26.02.2026	86,332.00	27,160	126.3	2,15,043.55	1,28,711.55
3	7767154	26.02.2026	84,550.00	26,640	131.4	2,02,739.73	1,18,189.73
4	7767777	26.02.2026	84,792.00	26,676	129.5	2,05,992.28	1,21,200.28
5	7768810	26.02.202	85,064.00	26,761	131.2	2,03,971.04	1,18,907.04

Sr. No.	BE No.	BE Date	Declared Qty (Sq.Mtr.)	Declared / Net Weight (Kg)	GSM as per Test Report	Actual Qty based on GSM (Sq.Mtr.)	Excess Qty (Sq.Mtr.)
		6					
6	7772320	27.02.2026	85,124.00	26,780	129.7	2,06,476.48	1,21,352.48
Total			**5,10,291.00**			**12,46,379.63**	**7,36,088.63**

4.4 The above calculation clearly reveals 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 revealed that the goods imported by M/s. Kool Touch under Bill of Entry Nos. 7751110, 7751242, 7767154, 7767777, 7768810 dated 26.02.2026 and Bill of Entry No. 7772320 dated 27.02.2026 were prima facie mis-declared with respect to their classification, quantity and value. The importer had declared the goods as “Polyester Dyed Laminated Fabric” classifiable under CTI 59039090. However, representative samples drawn from the imported consignments were tested by the Textile Committee Laboratory, Mumbai. The test reports revealed that the goods covered under Bill of Entry Nos. 7751110, 7751242, 7767154, 7767777 and 7768810 were TPU (Thermoplastic Polyurethane) Laminated 100% Polyester Dyed Woven Fabric made of 100% Texturised Filament Yarn. Since the fabrics were specifically laminated with polyurethane (TPU), the goods were correctly classifiable under CTI 59032090, covering textile fabrics impregnated, coated, covered or laminated with polyurethane, and not under the declared CTI 59039090. Thus, while the goods were indeed laminated fabrics, the importer failed to correctly declare the nature of the polyurethane (TPU) lamination, which is a material fact having a direct bearing on tariff classification. In view of the test results, the goods were found correctly classifiable under CTH 59032090, applicable to textile fabrics impregnated, coated, covered or laminated with polyurethane, and not under the declared tariff item 59039090. Further, in respect of Bill of Entry No. 7772320 dated 27.02.2026, the test report revealed that the imported goods is “Dyed Woven Polyester Filament Fabric containing elastomeric yarn(polyurethane)” classifiable under CTH 54075290. Accordingly, the classification adopted by the importer was found to be incorrect and thus there was clear mis-declaration of the imported goods.

5.2 Investigation further revealed that the importer had significantly understated the quantity of the imported goods. Against the total declared quantity of **5,10,291 square metres**, the actual quantity was found to be **12,46,379.63 square metres** on the basis of the GSM determined through laboratory testing and the net weight of the imported goods. The quantity discrepancy of **7,36,088.63 square metres** resulted in substantial suppression and consequently, the assessable value declared by the importer was also found to be grossly suppressed.

5.3 The aforesaid acts of mis-declaration of classification, quantity and value were undertaken with the intent to evade payment of applicable Customs duty and rendered the imported goods liable to confiscation under the provisions of **Section 111(m)** of the Customs Act, 1962 for mis-declaration in respect of material particulars.

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. 7751110, 7751242, 7767154, 7767777 and 7768810 all dated 26.02.2026 and Bill of Entry No. 7772320 dated 27.02.2026, were seized under **Section 110 of the Customs Act, 1962**, under reasonable belief that the same were liable to confiscation under **Section 111(m)** of the Customs Act, 1962 (RUD-02).

6. STATEMENT OF KEY PERSON

6.1 Statement of Shri Amjad Saghir, Prorprietor of M/s. Kool touch was recorded under Section 108 of the Customs Act, 1962, on 16.06.2026 (RUD-03), wherein he interalia stated that-

- He is the Proprietor of M/s. M/s. Kool Touch (IEC BKHPS4151G); that M/s. Kool Touch is functioning since 2013; that M/s. Kool Touch is presently engaged in trading business of fabric, garments etc; that M/s. Kool Touch imports different variety of fabric from China, since 2023.

- He had perused the Panchnamas dated 08.03.2026, 17.03.2026 and 19.03.2026 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 authorised 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. 7751110, 7751242, 7767154, 7767777, 7768810 dated 26.02.2026 and BE No. 7772320 dated 27.02.2026; that the sample drawing process adopted during examination is accepted by him and his firm.
- He stated that he had carefully perused the test report in respect of representative samples drawn during examination at Shoolin Trade Link LLP, APSEZ, Mundra (one representative sample each from every Bill of Entry), received from the Laboratories, Textile Committee, Government of India, Mumbai; that the test reports are perused carefully and 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 to the test result in any of the parameters mentioned therein.
- He perused the Bills of Entry No. 7751110, 7751242, 7767154, 7767777, 7768810 dated 26.02.2026 and BE No. 7772320 dated 27.02.2026 filed by him for import of fabrics at APSEZ, Mundra (at M/s. Shoolin Trade Link LLP) and 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 and being a proprietor-ship of the firm that he is 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. 7751110, 7751242, 7767154, 7767777, 7768810 dated 26.02.2026, was “Polyester Dyed Laminated Fabric”. He perused the panchnama and also perused the test result of the Laboratories, Textile Committee, Mumbai of representative samples marked as “7751110/A-1”, “7751242/A-1”, “7767154/A-1”,

“7767777/A-1” and “7768810/A-1”; that he agreed and confirmed that the tested parameters clearly show that the representative samples drawn from the imported goods are different than that declared in the Bill of Entry in respect of sample “7751110/A-1” and “7751242/A-1”, “7767154/A-1”, “7767777/A-1” and “7768810/A-1”; that he agreed with the test reports. The details of test reports and consequential revised description and 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
7751110	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090	TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)	59032090	125.2	26562	212156.5
7751242	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090	TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)	59032090	126.3	27160	215043.5
7767154	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090	TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)	59032090	131.4	26640	202739.7
7767777	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090	TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)	59032090	129.5	26676	205992.3
7768810	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090	TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)	59032090	131.2	26761	203971

- He agreed that the declared descriptions do not match with the description as per test report on the basis of tested parameters in the Bills of Entry No. 7751110, 7751242, 7767154, 7767777, 7768810 dated 26.02.2026; that he agreed with the re-classification of CTI based on the test report; that he further 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 agreed with the same and was ready to pay differential duty.

- He agreed that the declared description in respect of BE No. 7772320 dated 27.02.2026 was "Polyester Dyed Laminated Fabric". He had perused the panchnama and also perused the test result of the Laboratories, Textile Committee, Mumbai towards the testing of representative samples marked with "7772320 /A-1" and agreed and confirmed that the tested parameters clearly show that the representative samples drawn from the imported goods are different than that declared in the Bill of Entry in respect of sample "7772320/A-1". He agreed with the test report; that the details of test report and its revised description and CTI, Sqmtrs (based on GSM) and Assessable Value based on the revised description is as under :-

TABLE - E

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
7772320	27-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090	Dyed woven polyester filament fabric containing textured and filament yarn with 5% elastomeric yarn (with Polyurethane)	54075290	129.7	26780	206476.5

- He agreed that the declared description does not match with the description as per test report on the basis of tested parameters in the Bill of Entry No. 7772320 dated 27.02.2026. He agreed with the re-classification based on the test report; that he agreed further with the Sq. Mtrs arrived on the basis of the GSM and declared Net weight in the Packing List. He agreed that the SQM is excess in comparison to the SQM declared and arrived at on the basis of GSM; that he agreed with the same and was ready to pay differential duty.

7. RE-CLASSIFICATION OF GOODS

7.1 The importer, M/s. Kool Touch, declared the imported goods covered under Bill of Entry Nos. 7751110, 7751242, 7767154, 7767777, 7768810 dated 26.02.2026 and Bill of Entry No. 7772320 dated 27.02.2026 as **"Polyester Dyed Laminated Fabric"** and classified the same under **CTI 59039090**.

7.2 In order to ascertain the correct nature and classification of the goods, representative samples were drawn and forwarded to the Textile Committee

Laboratory, Mumbai. The laboratory reports revealed that the goods imported under Bill of Entry Nos. 7751110, 7751242, 7767154, 7767777 and 7768810 were TPU (Thermoplastic Polyurethane) Laminated 100% Polyester Dyed Woven Fabric made from 100% Texturised Filament Yarn. Further, the goods imported under Bill of Entry No. 7772320 were found to be Dyed Woven Polyester Filament Fabric containing textured and filament yarn with approximately 5% elastomeric yarn (polyurethane)/Spandex.

Bills of Entry Nos. 7751110, 7751242, 7767154, 7767777 and 7768810 dated 26.02.2026

7.2 Classification of TPU (Thermoplastic Polyurethane) Laminated Polyester Fabrics

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

Tariff Item 59039090 covers:

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

However, Tariff Item 59032090 specifically covers:

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

7.2.2 The importer declared the goods only as "**Polyester Laminated Fabric**" and classified them under **CTI 59039090**, the issue is not that the goods were not laminated. Rather, the importer failed to correctly declare the nature of the plastic used for lamination, resulting in adoption of an incorrect tariff classification. However, the laboratory test conducted by the Textile Committee revealed that the goods were **TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)**. Thus, while the goods were declared as laminated fabrics in a general sense, the importer did not declare the specific nature of the lamination, namely **Thermoplastic Polyurethane (TPU)**, which is a material fact having a direct bearing on tariff classification, as also the value of the imported goods.

7.2.3 In terms of **Heading 5903** of the First Schedule to the Customs Tariff Act, 1975, textile fabrics impregnated, coated, covered or laminated with plastics are classifiable according to the nature of the plastic material used. More specifically, **CTI 59032090** covers textile fabrics impregnated, coated, covered or laminated with **polyurethane**, whereas **CTI 59039090** is a residual entry applicable to fabrics laminated with plastics other than those specifically covered elsewhere under Heading 5903.

7.2.4 Since, the laboratory clearly reported that the imported goods are laminated with **TPU (Polyurethane)**, the goods are specifically covered under **CTI 59032090**. In accordance with **Rule 1 of the General Rules for Interpretation of the Import Tariff**, classification is to be determined according to the terms of the headings and the relevant Section Notes and Chapter Notes. Therefore, the goods merit classification under the specific entry **CTI 59032090**, and not under the residual entry **CTI 59039090** adopted by the importer. Accordingly, the classification declared in the Bills of Entry is incorrect and liable to be rejected for assessment purposes.

Bill of Entry No. 7772320 dated 27.02.2026

7.3. Classification of Fabric Containing Elastomeric Yarn (polyurethane)

7.3.1 The Textile Committee Laboratory reported the goods covered under Bill of Entry No. 7772320 as, "Dyed woven polyester filament fabric containing textured and filament yarn with approximately 5% elastomeric yarn (polyurethane)." The test report reveal that the goods are essentially woven fabrics manufactured from polyester filament yarn and contain elastomeric yarn imparting stretch characteristics.

7.3.2 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."

7.3.4 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 59039090 is therefore incorrect and legally unsustainable. Accordingly, the goods are correctly classifiable **CTI 54075290 – Dyed woven fabrics of polyester filaments – Other**.

TABLE - F

BE No.	Declared CTI	Correct CTI	Basis of Re-classification
7751110	59039090	59032090	TPU laminated dyed polyester fabric
7751242	59039090	59032090	TPU laminated dyed polyester fabric
7767154	59039090	59032090	TPU laminated dyed polyester fabric
7767777	59039090	59032090	TPU laminated dyed polyester fabric
7768810	59039090	59032090	TPU laminated dyed polyester fabric
7772320	59039090	54075290	Dyed woven polyester filament fabric containing elastomeric 5% yarn (polyurethane)

7.4 Shri Amjad Saghir, Prorprietor of M/s Kool touch 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 did not dispute the proposed re-classification of the imported goods under Customs Tariff Item 59032090 and 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 59032090 and 54075290 and not under Customs Tariff Items 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 revealed that the importer declared the goods as "Polyester laminated fabric" whereas the Textile Committee, Mumbai reported the goods as "TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)" and "Dyed woven polyester filament fabric containing 5% 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 has reason 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 Gods) Rules, 2007.

9.2.1 The goods under investigation were "**TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)"** in respect of Bills of Entry Nos. **7751110, 7751242, 7767154, 7767777, 7768810 dated 26.02.2026**.

9.2.2 In the instant case, the declared transaction value of the imported goods has been found unacceptable under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, for the reasons discussed hereinabove. Further, determination of value under Rules 4 and 5 could not be undertaken due to the non-availability of contemporaneous imports of identical or similar goods possessing comparable specifications such as composition, GSM, construction, quality, finish, and country of origin. Likewise, valuation under Rules 7 and 8 was not feasible in the absence of reliable data required for application of the deductive and computed value methods. Consequently, the assessable value has been determined under Rule 9 of the Customs Valuation Rules, 2007, by adopting reasonable means consistent with the principles and general provisions of Section 14 of the Customs Act, 1962 and the Valuation Rules. For this purpose, reliance has been placed upon contemporaneous assessments of comparable fabric imports made through other Bills of Entry, wherein the assessable values had been finalized on the basis of suggestive values adopted by the Customs formations after due examination and assessment. The assessable value so adopted is not based on a solitary instance but is supported by multiple contemporaneous assessments of comparable textile fabrics, thereby ensuring uniformity, reasonableness and conformity with the valuation principles embodied in Section 14 of the Customs Act, 1962 and Rule 9 of the Customs Valuation Rules, 2007.

9.2.3 The contemporaneous assessment import data pertaining to similar polyester dyed fabric laminated with PU 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

CUSTOM HOUSE CODE	BE NUMBER	BEDATE	COUNTRY OF ORIGIN	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNIT PRICE
INAJM6	8780015	20-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	192263.3	SQM	0.18
INAJM6	8745170	18-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	217367.6	SQM	0.18
INAJM6	8329444	27-03-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	205777.7	SQM	0.18
INAJM6	8745591	18-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	185377.1	SQM	0.18
INAJM6	9634132	02-06-2026	CN	POLYESTER DYED LAMINATED FABRIC	59032090	171428.5	SQM	0.18
INAJM6	7000960	20-01-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	216059.5	SQM	0.18
INAJM6	9021850	02-05-2026	CN	POLYESTER DYED LAMINATED FABRIC	59032090	207904.7	SQM	0.18
INAJM6	8725958	17-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	155937.1	SQM	0.18
INAJM6	8745324	18-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	194292.4	SQM	0.18
INAJM6	9588774	30-05-2026	CN	POLYESTER DYED LAMINATED FABRIC	59032090	167948.7	SQM	0.18
INAJM6	8745045	18-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	200457.6	SQM	0.18
INAJM6	9661697	03-06-2026	CN	POLYESTER DYED PU LAMINATED FABRIC	59032090	193545.9	SQM	0.18

9.2.3 The contemporaneous import data indicated transaction value of USD 0.18 per square meter for similar imported goods. Since the contemporaneous assessment of imports related to similar goods imported at or about the same time and from the same country of origin, the value of USD 0.18 per square meter was considered appropriate for determination of value under Rule 9 of the Customs Valuation Rules, 2007. Accordingly, the assessable value of the imported goods was re-determined under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

9.3 The goods under investigation were found to be "**Dyed Woven Polyester Filament Fabric containing Textured Filament Yarn with 5% Elastomeric Yarn"** in respect of Bill of Entry No. **7772320 dated 27.02.2026**.

9.3.1 Investigation revealed that similar fabrics of Chinese origin were being imported contemporaneously at substantially higher values than the values declared by M/s Kool touch. 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 - H

CUSTOMHOUSECODE	BENUMBER	BEDATE	ITEMDESCRIPTION	CTI	QUANTITY	UQC	UNIT PRICE	Total Value
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					**1.1**

9.3.2 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 0.18 per square metre in respect of BEs 7751110, 7751242, 7767154, 7767777, 7768810 dated 26.02.2026 and USD 1.10 per square meter in respect of BE 7772320 dated 27.02.2026 to the actual quantities determined on the basis of GSM and net weight, the assessable value was re-determined as follows:

TABLE - I

Bill of Entry No.	**Declared AV (₹)**	**Actual Qty (Sq.Mtr.)**	**Value Adopted (USD/Sq.Mtr.)**	**Re-determined AV (₹)**
7751110	9,31,083.01	2,12,156.55	0.18	35,09,493.64
7751242	9,52,089.30	2,15,043.55	0.18	35,57,250.36
7767154	9,32,417.40	2,02,739.73	0.18	33,53,720.55
7767777	9,35,086.18	2,05,992.28	0.18	34,07,524.26
7768810	8,38,085.79	2,03,971.04	0.18	33,74,088.89
7772320	9,38,747.47	2,06,476.48	1.10	2,08,72,707.79
Total	55,27,509.15	12,46,379.63	—	3,80,74,785.48

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

TABLE – J

Particulars	**Declared Value (₹)**	**Re-determined Value (₹)**
Assessable Value of TPU Laminated Polyester Fabrics (BE Nos. 7751110, 7751242, 7767154, 7767777 & 7768810)	45,88,761.68	1,71,02,077.70
Assessable Value of Dyed Woven Polyester Filament Fabric containing Elastomeric Yarn (BE No. 7772320)	9,38,747.47	2,08,72,707.79
Total Assessable Value	55,27,509.15	3,80,74,785.49

10.3 The above comparison clearly reveals substantial undervaluation of the imported goods. The assessable value was re-determined by applying the contemporaneous import value to the actual quantity derived on the basis of GSM and net weight. In respect of TPU Laminated Polyester Fabrics (CTH 59032090), a value of **USD 0.18 per Sq.Mtr.** was adopted. In respect of Dyed Woven Polyester Filament Fabric containing elastomeric yarn (CTH 54075290), a value of **USD 1.10 per Sq.Mtr.** was adopted based on contemporaneous import data. The importer declared a total assessable value of **₹55,27,509.15** whereas the correct assessable value determined in accordance with Rule 5 of the Customs Valuation Rules, 2007 works out to Rs. ₹3,80,74,785.49.

10.4 In his statement recorded under Section 108 of the Customs Act, 1962, Shri Amjad Saghir, Prorprietor of M/s Kool touch accepted the findings of the laboratory report and also the 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 Shri Amjad Saghir, Proprietor of M/s Kool touch, Delhi, it is clear that M/s. Kool touch is importing polyester laminated 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. 7751110, 7751242, 7767154, 7767777, 7768810 dated 26.02.2026 and 7772320 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.

11.2 The Textile Committee, Mumbai, vide Test Reports dated 16.04.2026, reported that imported goods in respect of 7751110, 7751242, 7767154, 7767777, 7768810 dated 26.02.2026, were found to be TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn) correctly classifiable under Customs Tariff Item 59032090, as against the classification declared by the importer under CTI 59039090. Although the goods were declared as Polyester Laminated Fabrics, the specific nature of the lamination, namely polyurethane (TPU), was not correctly declared, resulting in adoption of an incorrect tariff classification. In respect of BE No. 7772320 dated 27.02.2026, the imported goods were found to be Dyed Woven Polyester Filament Fabric containing elastomeric yarn and accordingly, the goods are rightly classifiable under CTI 54075290, as against the classification declared by the importer under CTI 59039090.

11.3 Based on the laboratory findings, the imported goods were found correctly classifiable under Customs Tariff Item 59032090 and 54075290 as against the declared classifications under CTI 59039090. 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 **12,46,379.63** Sq. Mtrs. as against the declared quantity of **5,10,291** Sq. Mtrs., indicating excess import quantity of **7,36,088.63** 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 TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn) and Dyed Woven Polyester Filament Fabric containing elastomeric yarn USD

0.18/1.10 per Sq. Mtr., respectively, 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. **₹3,80,74,785.49** as against the declared assessable value of **₹55,27,509.15**, thereby indicating substantial undervaluation.

11.5 Shri Amjad Saghir, Proprietor of M/s Kool touch, 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 clearly brought out that M/s Kool touch 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 - H

BE No.	BE Date	Duty Declared (₹)	CTI determined	Sq. Mtrs. Calculated based on GSM	New AV (₹)	BCD (₹)	SCD @10% (₹)	IGST @5% (₹)	Duty Payable (₹)	Differential Duty (₹)
7751110	26.02.2026	2,61,634.40	59032090	2,12,156.55	35,09,493.64	7,01,898.73	70,189.87	2,14,079.11	9,86,167.71	7,24,533.31
7751242	26.02.2026	2,67,531.50	59032090	2,15,043.55	35,57,250.36	7,11,450.07	71,145.01	2,16,992.27	9,99,587.35	7,32,055.85
7767154	26.02.2026	2,62,009.30	59032090	2,02,739.73	33,53,720.55	6,70,744.11	67,074.41	2,04,576.95	9,42,395.47	6,80,386.17
7767777	26.02.2026	2,62,759.20	59032090	2,05,992.28	34,07,524.26	6,81,504.85	68,150.49	2,07,858.98	9,57,514.32	6,94,755.12
7768810	26.02.2026	2,63,602.10	59032090	2,03,971.04	33,74,088.89	6,74,817.78	67,481.78	2,05,819.42	9,48,118.98	6,84,516.88
7772320	27.02.2026	2,63,788.00	54075290	2,06,476.48	2,08,72,707.79	47,48,959.14	—	12,81,083.35	60,30,042.48	57,66,254.48
Total		15,81,324.50		12,46,379.63	3,80,74,785.5	81,89,374.7	3,44,041.55	23,30,410.09	1,08,63,826.3	92,82,501.82

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 LEGAL PROVISION AND CHARGES

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.

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 rendered the imported goods liable for confiscation under Section 111(m) of the Customs Act, 1962,

13.4 M/s Kool touch imported fabrics from China by intentionally mis-declaring the quantity and description of the goods. Such acts of omission and commission to have rendered the goods liable for confiscation under 111(m) of the Customs Act 1962. Hence, this has made importer liable for penalty under Section 112(a) & (b) of the Customs Act, 1962. These actions of the Importer amount to deliberate mis-statement and suppression of facts with intent to evade duty, making them liable for penalty under Section 112(a) & (b) of the Customs Act, 1962, for doing any act which renders the goods liable to confiscation.

13.5. In view of the foregoing facts and evidences on record, it is observed that M/s Kool Touch is a proprietary concern in which Shri Amjad Saghir is the key person who handles purchase (Import) of goods from China. As categorically stated, in his voluntary statements dated 16.06.2026, it is evident that Shri Amjad Saghir, being the importer and Proprietor of the affairs of M/s Kool touch, 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 Shri Amjad Saghir Proprietor of M/s Kool touch, situated at 16/6226, L.G.F. Dev Nagar, Karol Bagh, New Delhi - 110055 holding (IEC BKHPS4151G) appears to have indulged in presenting documents falsifying the identity of the goods, before the Customs authorities for import of the goods. Thus, Shri Amjad Saghir, Proprietor 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 Amjad Saghir, Proprietor 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 Kool touch 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.

14. Now, therefore, –

14.1. M/s Kool touch, having its address at 16/6226, L.G.F. Dev Nagar, Karol Bagh, New Delhi - 110055 holding IEC BKHPS4151G, are hereby called upon to show cause in writing to **the Additional Commissioner of Customs, Customs House, Mundra**, having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421 within 30 (thirty) days from the date of receipt of this notice, as to why and asking them as to why:

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(i) The goods imported under Bills of Entry No. 7751110, 7751242, 7767154, 7767777, 7768810 all dated 26.02.2026 and 7772320 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 24.06.2026, should not be reassessed under section 17 of the Customs Act, 1962 by mentioning the correct by mentioning the correct description, quantity and by re-classifying the same under the correct CTI, as per Annexure- A, instead of the declared Customs Tariff Heading, and why the applicable duties should not be re-assessed, accordingly..

(ii) The declared assessable value of Rs. **55,27,509/- (Rupees Fifty five Lakhs Twenty Seven Thousand Five Hundred and Nine Only)** should not be rejected and goods be re-assessed at ₹ **3,80,74,786**/- (Rupees Three Crores Eighty Lakhs Seventy Four Thousand Seven Hundred and Eighty Six only), in terms of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and as detailed under Para 8, 9 and 10 supra.

(iii) The seized goods, as detailed in Seizure Memo dated 24.06.2026 with re-determined value of ₹ **3,80,74,786/-** (Rupees Three Crores Eighty Lakhs Seventy Four Thousand Seven Hundred and Eighty Six only), should not be confiscated under Section 111 (m) of the Customs Act, 1962.

(iv) The differential duty amounting to Rs. **92,82,502**/- **(Rupees Ninety Two Lakhs Eighty Two Thousand Five Hundred and Two Only)**, as discussed above, and arrived at after re-determination of value and reclassification of goods based on test reports, should not be re-assessed in respect of the Z types BE filed by them.

(v) Penalty should not be imposed under Section 112 (a)/112(b) of the Customs Act, 1962.

14.2 Shri Amjad Saghir, Proprietor of M/s Kool Touch, situated at 16/6226, L.G.F. Dev Nagar, Karol Bagh, New Delhi – 110055 holding IEC BKHPS4151G, is hereby called upon to show cause in writing to the Additional Commissioner of Customs, Customs House, Mundra, having office situated at Office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421 within 30 (thirty) days from the date of receipt of this notice, as to why penalty should not be imposed upon him under **Section 114AA of the Customs Act, 1962**, for knowingly and intentionally making, signing, using or causing to be used declarations, statements and documents which were false and incorrect in material particulars in relation to the impugned imports.

15. This Show Cause Notice is being issued without prejudice to any other action that may be taken against the Noticees or any other person / party connected with this case, under the Customs Act, 1962 or any other law for the time being in force. The aforesaid Noticees are directed to submit their reply in writing to the Adjudicating authority within 30 days of issuance of this notice. In their written reply, they should specifically mention whether they would like to be heard in person or through their authorized representative, by the adjudicating authority. They should also produce at the time of showing cause, all the evidences upon which they intend to rely in support of their defence. If no cause is shown against the action proposed in this Show Cause Notice within 30 days from the receipt of this Show Cause Notice (or extended period, if allowed) or if they or their representatives do not appear before the adjudicating authority as and when the case is posted for hearing, the case is liable to be decided ex-parte on the basis of facts and evidences available on record.

16. This Show Cause Notice is being issued on the basis of the evidences available on record. The department reserves its right to issue addendum/

corrigendum to show cause notice or to make any additions, deletions amendments or supplements to this notice, if any, at a later stage. The department also reserves its right to issue separate Notice/s for other Noticees, offences etc. related to the above case, if warranted.

17. The Copies of relied upon documents, as mentioned in the Show Cause Notice, are enclosed with the Show Cause Notice and also are an integral part of this Show Cause Notice.

Digitally signed by
Dipakbhai Zala
Date: 25-08-2026
12:28:21

(DIPAK ZALA)
ADDITIONAL COMMISSIONER OF CUSTOMS,
MUNDRA CUSTOMS HOUSE

Encl: As Above.

To,

(i) M/s Kool touch (IEC BKHPS4151G),
16/6226, L.G.F. Dev Nagar, Karol Bagh,
New Delhi – 110055

(ii) Shri Amjad Saghir, Proprietor of M/s Kool Touch,
16/6226, L.G.F. Dev Nagar, Karol Bagh,
New Delhi – 110055