	प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा **OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOM HOUSE: MUNDRA, KUTCH** **MUNDRA PORT & SPL ECONOMIC ZONE, MUNDRA-370421** ई-मेल/ E-Mail: adj-mundra@gov.in	
A	फा. सं./ FILE NO.	GEN/ADJ/ADC/1281/2026-Adjn-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ADC/ZDC/456/2026-27
C	द्वारा पारित किया गया PASSED BY	**Dipak Zala,** Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	02.11.2026
E	जारी करने की तिथि DATE OF ISSUE	02.11.2026
F	कारण बताओ नोटिस सं. एवं तिथि SCN NO. & DATE	132/2026-27/ADC/ZDC/MCH dated 25.08.2026
G	नोटिसी/पार्टी / आयातक NOTICEE/PARTY/ IMPORTER	(i) M/s. Apparel Trading Company (IEC LEKPS7024F) (ii) Shri Guru Charan Singh, Proprietor of M/s. Apparel Trading Company

1. यह अपील आदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।
   This Order - in - Original is granted to the concerned free of charge.
2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 128 के अंतर्गत प्रपत्र सीए3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-
   Any person aggrieved by this Order - in - Original may file an appeal under Section 128 of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:
   "सीमा शुल्क आयुक्त (अपील), चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद 380009"
   "The Commissioner of Customs (Appeals), Mundra, 4TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009."
3. उक्त अपील यह आदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए।
   Appeal shall be filed within sixty days from the date of communication of this order.
4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-
   Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must accompanied by –
5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रूपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं°-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।

The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paisa only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

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

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

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

BRIEF FACTS OF THE CASE

1.1 Specific intelligence was developed that M/s Apparel Trading Company situated at Shop No. 1, Plot No. 1G, Block Pocket-3, Section 16, Rohini, Delhi - 110089 holding IEC No. LEKPS7024F (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 at SEZ, Mundra.

1.2 Acting upon the said intelligence, scrutiny of import documents, Bills of Entry, pertaining to imports made by M/s Apparel Trading Company was undertaken. The following Bills of Entry filed by M/s. Apparel Trading Company has been put on hold on 28.02.2026.

Table-1

Sr. No.	BE No.	BE Date	Declared Description	Declared CTH
1	7756479	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090
2	7756890	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090
3	7767126	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090
4	7767160	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090

2. EXAMINATION OF GOODS

2.1 The goods imported vide the above referred Bills of Entry were examined by the officers of Directorate of Revenue Intelligence, Ahmedabad Zonal Unit,

Ahmedabad on **07.03.2026 and 08.03.2026** under panchnama at warehouse facility of M/s. Shoolin Trade Link LLP, APSEZ, Mundra. During the examination proceeding, it was found that the goods presented for examination imported vide above referred Bills of Entry were prima-facie mis-declared with respect to the description of the goods. Accordingly, during the examination under panchnama proceeding dated 07.03.2026, 08.03.2026 and 03.08.2026 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 were in excess to that the goods in SQM (Sq. Mtrs) declared in these Bills of Entry.

2.2 During the examination under panchnama dated **07.03.2026, 08.03.2026 and 03.08.2026,** representative samples were drawn from the containers covered under these Bills of Entry. During examination, one representative sample of each variety of fabric from each container were drawn and marked as under:-

Table-2

Sr. No.	BE No.	BE Date	Representative Sample
1	7756479	26-02-2026	"7756479/A1", "7756479/B1", "7756479/C1", "7756479/D1" "7756479/E1"
2	7756890	26-02-2026	"7756890/A1", "7756890/B1", "7756890/C1", "7756890/D1" "7756890/E1"
3	7767126	26-02-2026	"7767126/A1", "7767126/B1" "7767126/C1"
4	7767160	26-02-2026	"7767160/A1", "7767160/B1", "7767160/C1" "7767160/D1"

3. TESTING OF REPRESENTATIVE SAMPLES

3.1 The representative samples drawn as detailed above, 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 had vide their following test reports on the basis of the tested parameters.

Table-3

Sr. No.	BE No.	BE Date	Representative Sample	Test report
1	7756479	26-02-2026	"7756479/A1"	0153032526-3260 dated 24.04.2026
			"7756479/B1"	0153032526-3261 dated 29.04.2026
			"7756479/C1"	0153032526-3262 dated 12.05.2026
			"7756479/D1"	0153032526-3263 dated 09.04.2026
			"7756479/E1"	0153032526-3264 dated 09.04.2026
2	7756890	26-02-2026	"7756890/A1"	0153032526-3272 dated 24.04.2026
			"7756890/B1"	0153032526-3271 dated 24.04.2026
			"7756890/C1"	0153032526-3273 dated 28.04.2026
			"7756890/D1"	0153032526-3274 dated 24.04.2026
			"7756890/E1"	0153032526-3275 dated 24.04.2026
3	7767126	26-02-2026	"7767126/A1"	0153032526-3265 dated 09.04.2026
			"7767126/B1"	0153032526-3266 dated 16.04.2026
			"7767126/C1"	0153032526-3293 dated 24.04.2026
4	7767160	26-02-2026	"7767160/A1"	0153032526-3267 dated 12.05.2026
			"7767160/B1"	0153032526-3268 dated 08.05.2026
			"7767160/C1"	0153032526-3269 dated 13.04.2026
			"7767160/D1"	0153032526-3270 dated 30.04.2026

3.3 The test report comprises of two parts viz. Part – I and Part II. At Part I of the Test Reports, as stated above, the Laboratory, Textile Committee, Mumbai had informed that no 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 26.03.1997 are detected.

3.4 Further, at Part II of the test reports, the Laboratory, Textile Committee had reported tested result on the parameters tested by them. Based on the tested reports, the description of the goods has been arrived at as under :-

Table-4

BE Number	BE Date	Item Description (Declared)	Sample	CTI Declared	Description as per Test Result
7756479	26-02-2026	POLYESTER DYED LAMINATED FABRIC	7756479/A1	59039090	TPU Laminated Polyester laminated Woven Fabric (100% Texturised Filament Yarn)
			7756479/B1	59039090	Warp knitted dyed Cut piled 100% Polyester Filament Yarn Fabric
			7756479/C1	59039090	100% Polyamide Dyed Woven Fabric made from 100% Non-Texturized Filament Yarn - plain weave
			7756479/D1	59039090	100% Polyester Dyed Woven Fabric made from 100% Texturized Filament Yarn
			7756479/E1	59039090	100% Polyester printed Woven Fabric made from 100% Texturized Filament Yarn
7756890	26-02-2026	POLYESTER DYED LAMINATED FABRIC	7756890/A1	59039090	100% Polyester woven printed Fabric (Texturised Filament Yarn) - satin weave
			7756890/B1	59039090	100% polyester woven dyed fabric (100% texturised Filament Yarn)
			7756890/C1	59039090	100% Polyester weft knitted (yarn of different colours) Fabric
			7756890/D1	59039090	TPU Laminated Polyester laminated Woven Fabric (100% Texturised Filament Yarn)
			7756890/E1	59039090	Flocked fabric
7767126	26-02-2026	POLYESTER DYED LAMINATED FABRIC	7767126/A1	59039090	Knitted Polyester/polyurethane cut piled fabric assembled in layers
			7767126/B1	59039090	Weft knitted elastomeric 10.1% dyed polyester, polyurethane fabric
			7767126/C1	59039090	Weft knitted elastomeric 4.1% dyed polyester, polyurethane fabric
7767160	26-02-2026	POLYESTER DYED LAMINATED FABRIC	7767160/A1	59039090	100% polyamide dyed woven fabric with 100% non texurized filament yarn
			7767160/B1	59039090	100% Polyester warp knitted cut pile - filament yarn
			7767160/C1	59039090	100% polyester warp knitted (yarns of different colour) woven - 100% texturized filament yarn
			7767160/D1	59039090	Other weft pile fabrics, of man-made fibres

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 meters. Therefore, the actual quantity was worked out on the basis of GSM (grams per square meter) determined through laboratory testing and the net weight of the imported goods declared in the Bills of Entry and as per the

weighment made during the examination of the goods. The weighment of the imported goods found matched with the declared Gross weight in respect of the Bills of Entry. Accordingly, the net weight as declared in the Packing List of the concerned Bills of Entry has been taken for determination of the Quantity (in SQM).

4.2 The formula adopted for determination of actual quantity was:

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

4.3 The comparison is tabulated below:

Table-5

Sr. No.	BE No.	BE Date	Declared Qty. (Sq. Mtr.)	Net Weight (Kg.)	GSM as per Test Report	Actual Qty. based on GSM (Sq. Mtr.)	Excess (+) / Short (−) Qty. (Sq. Mtr.)
1	7756479	26-02-2026	79,725.16	4210.05	110.5	38100	1,42,034.84
				12158.52	302	40260	
				6110.4	53.6	114000	
				2563.5	170.9	15000	
				2257.92	156.8	14400	
2	7756890	26-02-2026	79,806.19	553.5	147.6	3750	46,193.81
				6825.75	95	71850	
				13076.88	423.2	30900	
				853.74	158.1	5400	
				5208.54	369.4	14100	
3	7767126	26-02-2026	75,457.00	5437.5	376.1	14458	-
				5805.6	385.1	15076	
				7387.6	359.2	20567	
4	7767160	26-02-2026	80,442.61	15692.16	35.2	445800	3,95,222.39
				2268.338	305.5	7425	
				4335.24	277.9	15600	
				2694.96	394.0	6840	

4.4 The above calculation shows that the quantities declared in the Bills of Entry were grossly understated and did not represent the actual quantity of goods imported. The quantity declared by the importer constituted only a fraction of the actual quantity ascertainable from the GSM and net weight of the imported fabrics. Since quantity is one of the fundamental parameters for determination of assessable value, the substantial understatement of quantity directly impacted

valuation and resulted in corresponding suppression of assessable value and Customs duty.

5. SEIZURE OF GOODS

5.1 The investigation conducted by the Directorate of Revenue Intelligence established that the goods imported by M/s. Apparel Trading Company under Bill of Entry Nos. **7756479, BE No. 7756890, BE No. 7767126 and BE No. 7767160 all dated 26.02.2026** were prima facie mis-declared with respect to their classification, quantity and value. The importer had declared the goods as "Polyester Dyed Laminated Fabric" under CTI 59039090. However, representative samples drawn from the imported consignments were tested by the Textile Committee Laboratory, Mumbai and the test reports revealed that the goods covered under Bills of Entry Nos. 7756479, 7756890, 7767126 and 7767160 all dated 26.02.2026 were other than fabric declared by the importer. Description as per test report are tabulated in **para 3.4 above**. Accordingly, the classification adopted by the importer was found to be incorrect and resulted in mis-declaration of the imported goods.

5.2 Investigation further established that the importer had significantly understated the quantity of the imported goods. As against the declared quantity, the actual quantity determined on the basis of the GSM and the net weight of the imported goods, it indicates suppression in quantity and consequently, the assessable value declared by the importer was also 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 and under other applicable provisions of Section 111 of the Customs Act, 1962.

5.4 Accordingly, having reasonable belief that the imported goods were liable to confiscation under the provisions of the Customs Act, 1962, the goods covered under Bills of Entry No. **7756479, 7756890, 7767126 and 7767160 all dated**

26.02.2026, were seized under Section 110 of the Customs Act, 1962, under a reasonable belief that the same were liable to confiscation under Section 111(m) and other applicable provisions of the Customs Act, 1962.

6. STATEMENT OF KEY PERSON

6.1 Statement of Shri Brijesh Garg S/o. Shri Mahendra Garg, Authorised person of M/s. Apparel Trading Company was recorded under Section 108 of the Customs Act, 1962, on 01.07.2026, wherein he interalia stated that –

- He is authorized person of M/s. Apparel Trading Company (IEC LEKPS7024F) and stated that all the related works are looked after by him in respect of M/s. Apparel Trading Company. He stated that M/s. Apparel Trading Company is functioning since 2024 and it is engaged in trading business of fabric and imports different variety of fabric from China, since 2025. He stated that he is authorised by the proprietor of M/s. Apparel Trading Company and his statement would be binding on M/s. Apparel Trading Company. M/s. Apparel Trading Company is proprietor-ship firm and Shri Guru Charan Singh is proprietor.
- He had perused the Panchnama dated 06.03.2026 and 07.03.2026 drawn at M/s. Shoolin Tradelink LLP, APSEZ, Mundra and stated that the contents of the said Panchnama are correct and confirmed that he had authorized by Shri Pranjal Singh to remain present during the course of examination and drawl of representative samples from the imported goods in respect of the following Bills of Entry.

Table-6

Sr. No.	Bill of Entry No.	Date
01.	7756479	26.02.2026
02.	7756890	26.02.2026
03.	7767126	26.02.2026
04.	7767160	26.02.2026

- He stated that the sample drawing process adopted during examination is acceptable to them.

- He had perused the test report in respect of representative samples drawn during examination at M/s. Shoolin Tradelink LLP, APSEZ, Mundra in respect of BE Nos. 7756479, 7756890, 7767126 and 7767160 all dated 26.02.2026, received from the Laboratories, Textile Committee, Government of India, Mumbai. He agreed the parameters mentioned in the test report. He explicitly did not show any objection on the any of the parameters of the test reports.
- He had perused the Bills of Entry No. 7756479, 7756890, 7767126 and 7767160 all dated 26.02.2026 filed by his firm for import of fabrics at APSEZ, Mundra (at M/s. Shoolin Tradelink LLP). He stated that these said Bills of Entry were filed by his firm for clearances of imported fabrics from China. He stated that the entries/declarations made in the said Bills of Entry were done after careful application of mind. He stated that the CTI, 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 he was aware that they are responsible for filing of true and correct details while filing the Bills of Entry.
- He agreed that the declared description in respect of BE No. 7756479, 7756890, 7767126 and 7767160 all dated 26.02.2026, is "POLYESTER DYED LAMINATED FABRIC". He had perused the panchnamas and also had perused the test results of the Laboratories, Textile Committee, Mumbai towards the testing of representative samples as under :-

Table-7

Sr. No.	Bill of Entry No.	Date	Sample markings
01.	7756479	26.02.2026	"7756479/A-1" "7756479/B-1" "7756479/C-1" "7756479/D-1" "7756479/E-1"
02.	7756890	26.02.2026	"7756890/A-1" "7756890/B-1" "7756890/C-1" "7756890/D-1" "7756890/E-1"
03.	7767126	26.02.2026	"7767126/A-1" "7767126/B-1" "7767126/C-1"

04.	7767160	26.02.2026	"7767160/A-1" "7767160/B-1" "7767160/C-1" "7767160/D-1"

- He agreed and confirmed that the parameters of the test results clearly indicate that the representative samples drawn from the imported goods are different than those declared in the Bills of Entry in respect of all the representative samples. He had agreed with the test report. The details of test report and its revised description and CTI, Sq.mtrs (based on GSM) and Assessable Value based on the revised description is as under :-

Table-8

BE NUMBER	BEDATE	ITEMDESCRIPTION (DECLARED)	CTH declared	Description as per Test Result	CTH	GSM as per test report
7756479	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090	TPU Laminated Polyester laminated Woven Fabric (100% Texturised Filament Yarn)	59032090	110.5
				Warp knitted dyed Cut piled 100% Polyester Filament Yarn Fabric	60019200	302
				100% Polyamide Dyed Woven Fabric made from 100% Non-Texturized Filament Yarn - plain weave	54074290	53.6
				100% Polyester Dyed Woven Fabric made from 100% Texturized Filament Yarn	54075290	170.9
				100% Polyester printed Woven Fabric made from 100% Texturized Filament Yarn	54075490	156.8
7756890	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090	100% Polyester woven printed Fabric (Texturised Filament Yarn) - satin weave	54075490	147.6
				100% polyester woven dyed fabric (100% texturised Filament Yarn) GSM 95	54075290	95
				100% Polyester weft knitted (yarn of different colours) Fabric (GSM 423.2)	60063300	423.2
				TPU Laminated Polyester laminated Wowen Fabric (100% Texturised Filament Yarn)	59032090	158.1
				Flocked fabric	59070012	369.4
7767126	26-02-	POLYESTER DYED	5903909	Weft knitted elastomeric	6001920	376.1

	2026	LAMINATED FABRIC	0	4.1% dyed polyester, polyurethane fabric – cut piled	0	
				Weft knitted elastomeric 10.1% dyed polyester, polyurethane fabric	60049000	385.1
				Weft knitted elastomeric 4.1% dyed polyester, polyurethane fabric	60063200	359.2
7767160	26-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090	100% polyamide dyed woven fabric with 100% non texurized filament yarn	54074290	35.2
				100% warp knitted cut pile polyester fabric - filament yarn	60019200	305.5
				100% polyester warp knitted (yarns of different colour) woven - 100% texturized filament yarn	60063300	277.9
				Dyed woven polyester synthetic filament fabric containing textured and non-textured filament yarn with 3.8% elastomeric yarn or Stretch woven polyester filament fabric	54076900	394

- He agreed that the declared description do not match with the description as per test report on the basis of tested parameters in respect of the above mentioned Bills of Entry. He agreed with the re-classification of CTI based on the test report. His firm agreed with the same and ready to pay differential duty arising out them.
- He had perused the test report and confirmed that the parameters of the test reports show that the description of the imported goods are other than those declared in respect representative samples and he agreed that the imported goods mis-declared in as much as the description, quantity, CTI and Assessable Value of the imported goods. Accordingly, he agreed that the CTI and assessable value and CTI of the said goods may be re-assessed based on the test reports and examination panchnama. Further, he agreed that assessable value also to be re-assessed on the basis of contemporary value of actually imported goods based on description/CTI arrived on test report. He informed that his firm is ready to pay the differential duty arising out of the same.

7. RE-CLASSIFICATION OF GOODS

7.1 The importer, M/s. Apparel Trading Company, declared the imported goods covered under Bills of Entry Nos. 7756479, 7756890, 7767126 and 7767160 all dated 26.02.2026 as "Polyester Dyed Laminated Fabric" and classified the same under CTI 59039090.

7.2 In order to ascertain the correct nature, composition and classification of the imported goods, representative samples were drawn from the consignments covered under the respective Bills of Entry and forwarded to the Textile Committee Laboratory, Mumbai for testing. The laboratory examination revealed that the goods were not uniformly classifiable under the declared Customs Tariff Item (CTI) 59039090, but comprised different categories of textile fabrics classifiable under various tariff headings based on their composition and construction.

7.3 The test reports, inter alia, revealed the following:

7.3.1 Bill of Entry No. 7756479 dated 26.02.2026: The representative sample was found to comprise -

(i) TPU Laminated Polyester Woven Fabric (100% Texturised Filament Yarn), correctly classifiable under CTI 59032090;
(ii) Warp Knitted Dyed Cut Pile 100% Polyester Filament Yarn Fabric, classifiable under CTI 60019200;
(iii) 100% Polyamide Dyed Woven Fabric made from 100% Non-Texturised Filament Yarn (Plain Weave), classifiable under CTI 54074290;
(iv) 100% Polyester Dyed Woven Fabric made from 100% Texturised Filament Yarn, classifiable under CTI 54075290; and
(v) 100% Polyester Printed Woven Fabric made from 100% Texturised Filament Yarn, classifiable under CTI 54075490.

7.3.2 Bill of Entry No. 7756890 dated 26.02.2026: The representative samples were identified as

(i) 100% Polyester Printed Woven Fabric (Texturised Filament Yarn) – Satin Weave, classifiable under CTI 54075490;
(ii) 100% Polyester Woven Dyed Fabric (100% Texturised Filament Yarn), classifiable under CTI 54075290;

(iii) 100% Polyester Weft Knitted Fabric (Yarns of Different Colours), classifiable under CTI 60063300;
(iv) TPU laminated Polyester Woven Fabric, classifiable under CTI 59032090; and
(v) Flock Fabric, classifiable under CTI 59070012.

7.3.3 Bill of Entry No. 7767126 dated 26.02.2026: The laboratory reported the goods as

(i) Knitted Polyester/Polyurethane Cut Pile Fabric Assembled in Layers, classifiable under CTI 60019200;
(ii) Weft Knitted Elastomeric 10.1% Dyed Polyester/Polyurethane Fabric, classifiable under CTI 60049000; and
(iii) Weft Knitted Elastomeric 4.1% Dyed Polyester/Polyurethane Fabric, classifiable under CTI 60063200.

7.3.4 Bill of Entry No. 7767160 dated 26.02.2026: The representative samples were found to be

(i) Dyed Woven Polyester Filament Fabric containing Textured and Non-Textured Filament Yarn with 3.8% Elastomeric Yarn (Stretch Woven Polyester Fabric), classifiable under CTI 54076190;
(ii) 100% Warp Knitted Cut Pile Polyester Fabric – Filament Yarn, classifiable under CTI 60019200;
(iii) 100% Polyester Warp Knitted Fabric (Yarns of Different Colours) made from 100% Texturised Filament Yarn, classifiable under CTI 60063300; and
(iv) Other weft pile fabrics, of man-made fibres, classifiable under CTI 58013300.

7.4 The above laboratory findings revealed that the imported goods under aforementioned Bills of Entry declared as "**Polyester Dyed Laminated Fabric**" under **CTI 59039090** were, in fact, a combination of various different textile products correctly classifiable under **CTIs 59032090, 59070012, 54074290,**

54075290, 54075490, 54076190, 58013300 60019200, 60049000, 60063200 and 60063300, as determined by the Textile Committee Laboratory.

7.5 In view the discussion above, the goods actually imported are re-classification and tabulated below:-

Table-9

BE No.	Declared CTI	Representative sample reference	Description of Goods (as per parameters of Test report)	Correct CTI
7756479	59039090	7756479/A1	TPU Laminated Polyester laminated Wowen Fabric (100% Texturised Filament Yarn)	59032090
		7756479/B1	Warp knitted dyed Cut piled 100% Polyester Filament Yarn Fabric	60019200
		7756479/C1	100% Polyamide Dyed Woven Fabric made from 100% Non-Texturized Filament Yarn - plain weave	54074290
		7756479/D1	100% Polyester Dyed Woven Fabric made from 100% Texturized Filament Yarn	54075290
		7756479/E1	100% Polyester printed Woven Fabric made from 100% Texturized Filament Yarn	54075490
7756890	59039090	7756890/A1	100% Polyester woven printed Fabric (Texturised Filament Yarn) - satin weave	54075490
		7756890/B1	100% polyester woven dyed fabric (100% texturised Filament Yarn)	54075290
		7756890/C1	100% Polyester weft knitted (yarn of different colours) Fabric	60063300
		7756890/D1	TPU Laminated Polyester laminated Wowen Fabric (100% Texturised Filament Yarn)	59032090
		7756890/E1	Flocked fabric	59070012
7767126	59039090	7767126/A1	Knitted Polyester/polyurthene cut piled fabric assembed in layers	60019200
		7767126/B1	Weft knitted elastomeric 10.1% dyed polyester, polyurethane fabric	60041000
		7767126/C1	Weft knitted elastomeric 4.1% dyed polyester, polyurethane fabric	60049000
7767160	59039090	7767160/A1	100% polyamide dyed woven fabric with 100% non texurized filament yarn	54074290
		7767160/B1	100% Polyester warp knitted cut pile - filament yarn	60019200
		7767160/C1	100% polyester warp knitted (yarns of different colour) woven - 100% texturized filament yarn	60063300
		7767160/D1	Other weft pile fabrics, of man-made fibres	58013300

7.6 Shri Brijesh Garg, Authorised person of M/s. Apparel Trading Company was confronted with the findings of The Laboratory, 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 as tabulated above. Therefore, the nature, composition and classification of the imported goods stand revealed through scientific testing and the admission of the importer. Consequently, the imported goods are correctly classifiable under Customs Tariff Item as per table above and not under Customs Tariff Headings 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 established that the importer mis-declared the goods as per Description and Classification. Investigation further established 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 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 mis-declaration 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.

8.5 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. Contemporaneous import data relating to imports of similar goods originating from China and imported during the relevant period was examined.

8.6 Valuation of "TPU Laminated Polyester Dyed plain Woven Fabric - 100% Texturized Filament Yarn" Classifiable under CTI 590320290 (covering Sample "7756479 /A1" of BE No 7756479 and sample "7756890/D1" of BE No. 7756890):

8.6.1 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.

8.6.2 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-10

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

8.6.3 The contemporaneous import assessment data indicated transaction value of USD 0.18 per square meter for similar imported goods. 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**.**

8.7 Valuation of "Warp Knitted Dyed Cut Pile 100% Polyester Filament Yarn Fabric" Classifiable under CTI 60019200 (covering sample "7756479/B1" of BE No. 7756479, sample "7767126/A1" of BE No. 7767126 and sample "7767160/B1" of BE No. 7767160):

8.7.1 It is observed that, upon laboratory examination, the imported goods covered under the mentioned Bills of Entry were found to be **Knitted Cut Pile**

Polyester Fabric, correctly classifiable under CTI 60019200. During the relevant period, import of goods falling under CTI 60019200 was subject to the **conditions prescribed under Notification No. 05/2025-26 dated 23.04.2025**, whereby imports having CIF value below USD 3.5 per Kg were restricted, while imports having CIF value of USD 3.5 per Kg and above were freely importable. Although the importer declared the goods as "Polyester Dyed Laminated Fabric", laboratory examination revealed that the goods were in fact knitted cut pile fabrics. Therefore, the applicability of the said notification is required **to be examined with reference to the goods as actually imported and not as declared in the Bills of Entry**.

8.7.2 It is further observed that the aforesaid notification remained in force up to 31.03.2026 and was applicable on the date of filing of the "Z" type of Bills of Entry in the instant case. Examination of contemporaneous import data of identical/similar knitted cut pile fabrics imported during the relevant period revealed transaction values around **USD 3.5 per Kg**. The declared value was therefore found to be not acceptable and liable for rejection under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Consequently, the assessable value of the imported goods covered under Bills of Entry No. 7756479, 7767126 and 7767160 dated 26.02.2026 was re-determined at **USD 3.5 per Kg** under Rule 5 of the said Rules on the basis of contemporaneous imports of identical goods. The details of such contemporaneous imports are as under:-

Table-11

CUSTOM HOUSE CODE	BENUMBER	BEDATE	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNIT PRICE
INCCU1	7639562	19-02-2026	100% POLYESTER KNITTED FABRIC (CUT PILE)	60019200	1040	KGS	3.509615
INDWN6	7680148	21-02-2026	POLYESTER KNITTED CUT PILE FABRIC	60019200	25200	KGS	3.52
INAJM6	7619229	19-02-2026	POLYESTER KNITTED CUT PILE FABRIC	60019200	980	KGS	3.5
INAJM6	7730052	25-02-2026	100% POLYESTER WARP KNITTED DYED FABRIC CUT PILE (BONDED) (REST DETAILS AS PER INV & PL)	60019200	13545	KGS	3.5
INAJM6	7641840	20-02-2026	POLYESTER KNITTED CUT PILE FABRIC	60019200	975	KGS	3.5
INAJM6	7775767	27-02-	POLYESTER KNITTED	60019200	975	KGS	3.5

		2026	CUT PILE FABRIC				
INAJM6	7775960	27-02-2026	POLYESTER KNITTED CUT PILE FABRIC	60019200	980	KGS	3.5
INAJM6	7730054	25-02-2026	100% POLYSTER WARP KNITTED DYED FABRIC CUT PILE (BONDED) (REST DETAILS AS PER INV & PL)	60019200	9857	KGS	3.5
INCCU1	7793631	27-02-2026	100% POLYESTER KNITTED FABRIC (CUT PILE)	60019200	1170	KGS	3.51
INCCU1	7793631	27-02-2026	100% POLYESTER KNITTED FABRIC (CUT PILE)	60019200	1190	KGS	3.51

8.8 VALUATION IN RESPECT OF REMAINING VARIETIES OF FABRICS

8.8.1 Rule 4 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 is not applicable in the present case as the assessable value of the impugned goods cannot be determined on the basis of the transaction value of identical goods. In the case of textile fabrics, determination of identically requires comparison of various technical and commercial parameters such as fiber composition, construction (woven/knitted), GSM, yarn type, denier, texturized/non-texturized nature, coating or lamination, design, finish, quality, brand and end use. However, such detailed specifications are not available in respect of past imports recorded in the database. Consequently, it is not possible to ascertain whether any contemporaneously imported fabrics are identical to the impugned goods in all material respects as required under Rule 4. In the absence of reliable and verifiable data relating to contemporaneous imports of identical goods, the provisions of Rule 4 could not be applied for determination of the assessable value of the goods under investigation. Hence, Contemporaneous import data relating to imports of similar goods originating from China and imported during the relevant period was examined under Rule 5 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

8.8.2 Investigation revealed that similar fabrics of Chinese origin were being imported contemporaneously at substantially higher values than the values declared by M/s Apparel Trading Company. Accordingly, the contemporaneous import data pertaining to similar variety of each such fabric imported from China was examined and found suitable for valuation purposes in the present case. The data of the contemporaneous import of each such variety of fabrics are as under:-

(i) "100% Polyester dyed woven fabric made from 100% Texturized Filament Yarn" Classifiable under CTI 54075290 (covering sample "7756479 /D1" of BE No. 7756479 and sample "7756890/B1" of BE No. 7756890) :

Table-12

CUSTOMHOUSECODE	BENUMBER	BEDATE	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNITPRICE	Total Value
INPPG6	7284050	2/3/2026	100% POLYESTER WOVEN YARN DYED STRIPE FABRIC GSM 125 (+/-10%) WIDTH 57/58 INCH (MTR- 17007.80)	54075290	25055.89	SQM	0.787401	19729.03
INFBD6	7748376	2/25/2026	100% POLYESTER WOVEN DYED FABRIC (MADE FROM TEXTURISED YARN)	54075290	46241.74	SQM	1.316	60854.13
INMAA1	7542992	2/15/2026	100% POLYESTER DYED WOVEN LINING FABRIC, 54 INCH WIDTH, 100GSM (20245 YDS)	54075290	25391.1	SQM	1.267749	32189.54
INAPL6	7747213	2/25/2026	100% POLYESTER WOVEN FABRIC WIDTH 280CMS(19964.3 MTR)	54075290	55900.04	SQM	1.071429	59892.92
INNSA1	7726476	2/24/2026	DYED WOVEN FABRICS OF 100% POLYESTER	54075290	106708.2	SQM	1.24	132318.2
INNSA1	6741400	1/7/2026	DYED WOVEN FABRICS OF 100% POLYESTER	54075290	102823.1	SQM	1.539334	158279
					362120			463262.8
								1.279307

The contemporaneous import data indicated a weighted average transaction value of USD 1.28 per square meter for similar imported goods.

(ii) Valuation of Dyed woven polyamide texturized filament yarn Classifiable under 54074290 (sample "7756479 /C1" of BE No 7756479 and "7767160/A1" of BE No. 7767160):

Table-13

Sr. No.	CUSTOM HOUSE CODE	BE NUMBER	BE DATE	COUNTRY OF ORIGIN	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNITPRICE	Weighted Average
1	INMAA1	5075630	13-10-2025	CN	100% POLYAMIDE WOVEN LINING FABRIC WIDTH: 145CM GSM 35 (10025 YRD)	54074290	13291.94	SQM	1.266782	16837.99
2	INMAA1	3977151	19-08-2025	CN	100% POLYAMIDE WOVEN LINING FABRIC WIDTH:145CM GSM:35 (14322 YDS)	54074290	18989.25	SQM	1.266781	24055.22
3	INMAA1	3977151	19-08-2025	CN	100% POLYAMIDE WOVEN LINING FABRIC WIDTH:144CM GSM:39 (13173 YDS)	54074290	17345.36	SQM	1.350689	23428.19
4	INBDM6	4899975	04-10-2025	CN	100% POLYAMIDE WOVEN DYED LINING GSM 37 (+/-10%) WIDTH 1.5 MTR	54074290	5292.5	SQM	0.570001	3016.73
5	INBDM6	4899975	04-10-2025	CN	100% POLYAMIDE WOVEN DYED LINING GSM 37 (+/-10%) WIDTH 1.5 MTR	54074290	1318	SQM	0.57	751.26
6	INBDM6	4899975	04-10-2025	CN	100% POLYAMIDE WOVEN DYED LINING GSM 37 (+/-10%) WIDTH 1.5 MTR	54074290	64	SQM	0.57	36.48
7	INBDM	489997	04-10-	CN	100% POLYAMIDE	5407429	552	SQ	0.57	314.64

	6	5	2025		WOVEN DYED LINING GSM 37 (+/-10%) WIDTH 1.5 MTR	0		M		
8	INBDM6	4899975	04-10-2025	CN	100% POLYAMIDE WOVEN DYED LINING GSM 37 (+/-10%) WIDTH 1.5 MTR	54074290	89	SQM	0.57	50.73
9	INMAA1	5193838	18-10-2025	CN	100% POLYAMIDE WOVEN LINING FABRIC WIDTH:145CM GSM:35 (9961YDS)	54074290	13207.09	SQM	1.266782	16730.50
10	INMAA1	5567038	07-11-2025	CN	100% POLYAMIDE WOVEN LINING FABRIC WIDTH:145CM GSM:35 (10115 YDS)	54074290	13411.27	SQM	1.266782	16989.16
11	INMAA1	5567038	07-11-2025	CN	100% POLYAMIDE WOVEN LINING FABRIC WIDTH:145CM GSM:35 (6021YDS)	54074290	7983.12	SQM	1.266782	10112.87
12	INMAA1	5567038	07-11-2025	CN	100% POLYAMIDE WOVEN LINING FABRIC WIDTH:144CM GSM:39 (2425YDS)	54074290	3193.08	SQM	1.35069	4312.86
13	INMAA1	3773918	08-08-2025	CN	100% POLYAMIDE WOVEN LINING FABRIC WIDTH:145CM GSM:35 (10021 YDS)	54074290	13286.64	SQM	1.266782	16831.28
14	INMAA1	3773918	08-08-2025	CN	100% POLYAMIDE LINING WOVEN FABRIC WIDTH:144CM GSM:39 (36861 YDS)	54074290	48536.2	SQM	1.350689	65557.31
							156559.5			199025.22
										1.27

The contemporaneous import data indicated a weighted average transaction value of USD 1.27 per square meter for similar imported goods.

(iii) Valuation of 100% Polyester Printed woven Fabric made from 100% Texturized Filament Yarn, Classifiable under CTI 54075490 (covering sample "7756479/E1" of BE No. 7756479 and Sample "7756890/A1" of BE No. 7756890):

Table-14

Sr. No.	CUSTOM HOUSE CODE	BE NUMBER	BE DATE	COUNTRY OF ORIGIN	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNITPRICE	Weighted Average
1	INMAA1	5744934	11/17/2025	CN	LINING (100% POLYESTER PRINTED) (W: 57/58" - 9272 MTR - GSM: 85)	54075490	13659.51	SQM	0.882433	12053.6
2	INMAA1	6021662	12/1/2025	CN	RIGID PRINT SATIN LINING (100% POLYESTER) (W: 57/58" - 6915 MTR - GSM: 85)	54074290	10187.18	SQM	0.882433	8989.502
3	INSTT6	6439420	12/20/2025	CN	100% POLYESTER WOVEN PRINTED FABRIC WIDTH-280CMS(9204.1 MTR)	54074290	25771.48	SQM	0.614286	15831.06
4	INSTT6	6439420	12/20/2025	CN	100% POLYESTER WOVEN PRINTED FABRIC WIDTH-140CMS(10392 MTR)	54074290	14548.8	SQM	1.164286	16938.96
5	INCPL6	6266235	12/12/2025	CN	100% POLYESTER WOVEN PRINTED FABRIC WIDTH 140CMS (8386.4 MTR)	54074290	11741	SQM	1.249996	14676.2
6	INMAA1	5200437	10/18/2025	CN	100% POLYESTER PRINTED WOVEN FABRIC	54074290	10255.69	SQM	1.432715	14693.48

					GSM 97 (+/-10%) WIDTH 58(+/-10%) (7613.2 YARDS)					
7	INMAA1	5835804	11/21/2025	CN	100% POLYESTER PRINTED WOVEN FABRIC (WIDTH: 57-58")GSM: 75(+/-10%) (8480.5 MTR)	54074290	12493.47	SQM	0.848493	10600.62
8	INMAA1	5835804	11/21/2025	CN	100% POLYESTER PRINTED WOVEN FABRIC (WIDTH: 50-51"")GSM: 80(+/-10%) (11712.0 MTR)	54074290	15171.73	SQM	0.964953	14640
9	INMAA1	5957998	11/27/2025	CN	100% POLYESTER PRINTED WOVEN FABRIC (WIDTH:57-58") GSM:75(+/-10%) (13920.0 MTR)	54074290	20506.94	SQM	0.848493	17400
							134335.8			125823.4
										0.936634

The contemporaneous import data indicated a weighted average transaction value of USD 0.93 per square meter for similar imported goods.

(iv) Valuation of 100% Polyester Weft Knitted (yarn of different colors, Classifiable under CTI 60063300 (covering sample "7756890/C1" of BE No. 7756890 and Sample "7767160/C1" of BE No 7767160) :

Table-15

Sr. No.	CUSTOM HOUSE CODE	BE NUMBER	BE DATE	COUNTRY OF ORIGIN	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNIT PRICE	Weighted Average
1	INAJM6	7695300	2/23/2026	CN	POLYESTER WEFT KNITTED FABRICS OFYARNS OF DIFFERENT COLOURS	60063300	3510	KGS	3.5	12285
2	INAJM6	7695302	2/23/2026	CN	VISCOSE WEFT KNITTED FABRIC OFYARN OF DIFFERENT COLOURS	60063300	3430	KGS	3.5	12005
							6940			24290
										3.5

The contemporaneous import data indicated a weighted average transaction value of USD 3.5 per kilogram for similar imported goods.

(v) Valuation of Flocked polyester Fabric Classifiable under CTI 59070012 (covering sample "7756890/E1" of BE No. 7756890):

Table-16

Sr. No.	CUSTOM HOUSE CODE	BE NUMBER	BE DATE	COUNTRY OF ORIGIN	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNITPRICE	Weighted Average
	INCCU1	7394693	2/8/2026	CN	FLOCK WITH POLYESTER KNITTED BASE	59070012	93404	SQM	0.25052	23399.57

					FABRIC					
	INNSA1	7683373	2/21/2026	CN	100% POLYESTER FLOCKED FABRIC	59070012	73394	SQM	0.28	20550.32
	INNSA1	7706468	2/23/2026	CN	100% POLYESTER FLOCK FABRIC	59070012	73317.5	SQM	0.31	22728.43
	INNSA1	7542269	2/15/2026	CN	FLOCK ON POLYESTER BASE FABRIC	59070012	49893.2	SQM	0.33	16464.76
	INNSA1	7542275	2/15/2026	CN	FLOCK ON POLYESTER BASE FABRIC	59070012	64413.3	SQM	0.28	18035.72
	INNSA1	7683406	2/21/2026	CN	100% POLYESTER FLOCKED FABRIC	59070012	77079.3	SQM	0.28	21582.2
	INNSA1	7542620	2/15/2026	CN	FLOCK ON 100% POLYESTER BASE FABRIC	59070012	41639.8	SQM	0.32	13324.74
	INNSA1	7542708	2/15/2026	CN	FLOCK ON 100% POLYESTER BASE FABRIC	59070012	41193.5	SQM	0.32	13181.92
	INNSA1	7616669	2/18/2026	CN	POLYESTER BASE FLOCKING FABRIC	59070012	45844	SQM	0.32	14670.08
	INNSA1	7616703	2/18/2026	CN	POLYESTER BASE FLOCKING FABRIC	59070012	45989	SQM	0.32	14716.48
	INNSA1	7616752	2/18/2026	CN	FLOCK ON 100% POLYESTER BASE FABRIC	59070012	30937	SQM	0.38	11756.06
							637104.6			190410.3
										0.298868

The contemporaneous import data indicated a weighted average transaction value of USD 0.30 per square meter for similar imported goods.

(vi) Valuation of Weft Knitted elastomeric 10.1% dyed Polyester, Polyurethane Fabric, Classifiable under CTI 60041000 (covering sample "7767126/B1" of BE No. 7767126) and Weft Knitted elastomeric 4.1% dyed Polyester, Polyurethane Fabric, Classifiable under CTI 60049000 (covering sample "7767126/C1" of BE No. 7767126) :

Table-17

Sr. No.	CUSTOM HOUSE CODE	BE NUMBER	BE DATE	COUNTRY OF ORIGIN	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNIT PRICE	Weighted Average
1	INNSA1	7730518	2/25/2026	CN	95% POLYESTER 5% SPANDEX (+/-10%) KNITTED FABRIC GSM-220 WIDTH -150CM (+/-10%) - WEFT KNITTING	60041000	1172.4	KGS	3.929998	4607.53
2	INMAA1	7592384	2/17/2026	CN	93% POLYESTER 7% SPANDEX KNITTED FABRIC GSM 170 +/-10% WIDTH150 CM (QTY: 563.9 MTR)	60041000	155.8	KGS	5.248079	817.6507
3	INPPG6	7708999	2/24/2026	CN	POLYESTER KNITTED DYED FABRIC (91% POLYESTER & SPANDEX+9%)	60041000	1047.8	KGS	4.25	4453.15
4	INNSA1	7739146	2/25/2026	CN	94% POLYESTER 6% SPANDEX KNITTED FABRIC WIDTH-150CM WEIGHT 190GSM (+/-10%) -WEFT	60041000	4308.1	KGS	3.9	16801.59

					KNITTING					
5	INNSA1	7739146	2/25/2026	CN	92% POLYESTER 8% SPANDEX KNITTED FABRIC WIDTH-150CM WEIGHT 220GSM (+/-10%) -WEFT KNITTING	60041000	1311.5	KGS	4.2	5508.3
6	INMAA1	7591639	2/17/2026	CN	94% POLYESTER 6% ELASTANE KNIT FABRIC WIDTH 68" GSM 240 (21369.20 METERS)	60041000	8479	KGS	3.780375	32053.8
7	INMAA1	7591639	2/17/2026	CN	94% POLYESTER 6% ELASTANE KNIT FABRIC WIDTH 68" GSM 8240 (3849.90 METERS)	60041000	1656.9	KGS	3.485334	5774.85
8	INMAA1	7315525	2/4/2026	CN	94% POLYESTER 6% ELASTANE KNIT FABRIC WIDTH 68" GSM 240 (4587.60 METERS)	60041000	1879	KGS	3.540202	6652.04
9	INMAA1	7315525	2/4/2026	CN	94% POLYESTER 6% ELASTANE KNIT FABRIC WIDTH 68" GSM 240 (19687 METERS)	60041000	7979	KGS	3.57766	28546.15
10	INWFD6	7375509	2/7/2026	CN	POLYESTER 95% SPANDEX 5% PIECE DYED WEFT KNIT BOTTOM WEIGHTFABRIC (F526VWDR4953) (GSM:280) (WDTH:155)	60041000	451.7	KGS	4.899934	2213.3
11	INWFD6	7375509	2/7/2026	CN	POLYESTER 95% SPANDEX 5% PIECE DYED WEFT KNIT BOTTOM WEIGHTFABRIC (F526VWDR4954) (GSM:280) (WDTH:155)	60041000	442.1	KGS	4.500113	1989.5
12	INPPG6	7418116	2/9/2026	CN	KNITTED FABRIC CONT.WT.11% OF ELASTOMERIC YARN (89%POLYESTER+11%SPANDEX) (WIDTH:164CM) (GSM:204) 66 MTR.	60041000	22.1	KGS	5.524887	122.1
13	INPPG6	7722829	2/24/2026	CN	KNITTED FABRIC CONT.WT.14% OF ELASTOMERIC YARN (86%POLYESTER+14%SPANDEX) (WIDTH:60") (GSM:274) 3706 MTR.	60041000	1546.25	KGS	8.292812	12822.76
14	INPPG6	7724005	2/24/2026	CN	KNITTED FABRIC CONT.WT.14% OF ELASTOMERIC YARN (86%POLYESTER+14%SPANDEX) (WIDTH:60") (GSM:269) 2088 MTR.	60041000	856.46	KGS	8.43528	7224.48
							31308.11			129587.2
										4.139094

The contemporaneous import data indicated a weighted average transaction value of USD 4.14 per kilogram for similar imported goods.

(vi) Valuation of "Other Weft Pile Fabric, of Man-made Fibers" Classifiable under CTI 58013300 (covering sample "7767160/E1" of BE No. 7767160) :

Table-18

Sr. No.	CUSTOM HOUSE CODE	BE NUMBER	BE DATE	COUNTRY OF ORIGIN	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNIT PRICE	Weighted Average
1	INNSA1	6763041	1/8/2026	CN	WOVEN PILE FABRIC (LUKE) (2140.20 MTRS) (WIDTH: 140 CM) (PTRNO: 0253032526-6936 DT:12/11/2025)	58013300	2996.28	SQM	1.571429	4708.441
2	INNSA1	770963	2/24/20	CN	WOVEN PILE FABRIC	580133	2214.52	SQ	1.5357	3400.86

		7	26		(LUKE) (1581.80 MTRS) (WIDTH:140 CM) (PTRNO: 0253032526-6936 DT:12/11/2025)	00		M	14	9
3	INNSA1	709910 7	1/24/20 26	CN	SILENCIO (PTR NO. 0153032526-1930 DT.03.11.2025)	580133 00	220.92	SQ M	3.1642 68	699.050 1
4	INPPG6	734277 0	2/5/202 6	CN	SCALA FB(WIDTH-145CM) (GSM270) 100% POLYESTERFABRIC(367.50 MTR)	580133 00	532.88	SQ M	1.6551 57	882.000 1
5	INPPG6	734277 0	2/5/202 6	CN	BROOKLYN FB (WIDTH-145CM)(GSM350) 100% POLYESTERFABRIC(174.70 MTR)	580133 00	253.32	SQ M	1.8413 47	466.45
6	INNSA1	709910 7	1/24/20 26	CN	MONTE (PTR NO. 0153032526-1926 DT.28.10.2025)	580133 00	204.96	SQ M	1.6928 67	346.97
7	INNSA1	709910 7	1/24/20 26	CN	MONTE (PTR NO. 0153032526-1926 DT.28.10.2025)	580133 00	215.88	SQ M	1.6928 39	365.450 1
8	INNSA1	709910 7	1/24/20 26	CN	SILENCIO (PTR NO. 0153032526-1930 DT.03.11.2025)	580133 00	211.12	SQ M	3.1642 67	668.04
9	INNSA1	731987 6	2/5/202 6	CN	WOVEN PILE FABRIC (LUKE) (6687.60 MTRS) (WIDTH:140 CM) (PTRNO: 0253032526-6936 DT:12/11/2025)	580133 00	9362.64	SQ M	1.5714 29	14712.7 2
10	INPPG6	673923 9	1/6/202 6	CN	BROOKLYN FB (WIDTH-145) (GSM-350) 100% POLYESTER FABRIC	580133 00	63.95	SQ M	1.8412 82	117.75
11	INPPG6	672193 2	1/6/202 6	CN	PRIMO 84,96,80 COMP: 100% POLY, GSM: 380 G, W: 142 CM (+/-2%) DYED, WEFT PILE, FURNISHING FABRIC (136.8 MTR)	580133 00	194.256	SQ M	1.4295 57	277.7
12	INNSA1	697942 5	1/19/20 26	CN	WOVEN PILE FABRIC (LUKE) (2136.80 MTRS) (WIDTH: 140 CM) (PTRNO: 0253032526-6936 DT:12/11/2025)	580133 00	2991.52	SQ M	1.5714 29	4700.96 1
13	INNSA1	695106 5	1/17/20 26	CN	100 % POLYSTER WOVEN WEFT PILE FABRIC (STABLE X FILAMENT YARN) (QTY- 1014.2 MTRS)	580133 00	1404.27	SQ M	2.3472 34	3296.15
							20866.52			34642.5 6
										1.66019 8

The contemporaneous import data indicated a weighted average transaction value of USD 1.66 per square meter for similar imported goods.

9 RE-DETERMINATION OF ASSESSABLE VALUE

9.1 Applying the contemporaneous value of import per square meter in respect of BEs to the actual quantities determined on the basis of GSM and net weight, the assessable value was re-determined as follows:

Table-19

Bill of Entry No.	Declared AV (₹)	Actual Qty (Sq.Mtr.)/Kg	Value Adopted (USD/Sq.Mtr.) or USD/Kg.	Re-determined AV (₹)
7756479	26-02-2026	38,100 SQM	0.18/SQM	6,30,250.20

Bill of Entry No.	Declared AV (₹)	Actual Qty (Sq.Mtr.)/Kg	Value Adopted (USD/Sq.Mtr.) or USD/Kg.	Re-determined AV (₹)
		12158.52 kg	3.5/kg	39,10,787.96
		1,14,000 SQM	1.27/SQM	1,33,05,282.00
		15,000 SQM	1.28/SQM	17,64,480.00
		14,400 SQM	0.93/SQM	12,30,724.80
7756890	26-02-2026	3,750 SQM	0.93/SQM	320501.25
		71,850 SQM	1.28/SQM	8451859.2
		13076.88 kg	3.5/kg	42,06,178.45
		5,400 SQM	0.18/SQM	89326.8
		14,100 SQM	0.3/SQM	388737
7767126	26-02-2026	5437.5 kg	3.5/kg	1748971.875
		5805.6 kg	4.14/kg	2208833.41
		7387.6 kg	4.14/kg	2810730.622
7767160	26-02-2026	4,45,800 SQM	1.27/SQM	5,20,30,655.40
		2268.338 kg	3.5/kg	7,29,610.76
		4335.24 kg	3.5/kg	13,94,429.95
		6,840	1.66/SQM	10,43,469.36

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

Table-20

BE No.	Declared Value (₹)	Re-determined Value (₹)	Difference
7756479	879209.07	20841524.96	19962315.89
775890	880102.67	13456602.7	12576500.03
7767126	832143.1	6768535.907	5936392.807
7767160	887123.1	55198165.47	54311042.37
Total	34,78,577.94	9,62,64,829.04	9,27,86,251.1

9.3 Shri Brijesh Garg, Authorized person of M/s Apparel Trading Company, in his statement dated 01.07.2026 recorded under Section 108 of the Customs Act, 1962, accepted the findings of the laboratory report and had accepted that 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 and 9 of Customs Valuation Rules, 2007.

10. Summary of Investigation and Differential Duty Calculation :

10.1 On the basis of the examination, test report and Statement of Shri Brijesh Garg, Authorised person of M/s. Apparel Trading Company, it is clear that M/s. Apparel Trading Company is importing 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. 7756479, 7756890, 7767126 and 7767160 all dated 26.02.2026** were subjected to detailed examination and during the examination, representative samples have been drawn and the said representative samples were sent to the Laboratory, Textile Committee, Mumbai for testing of the fabric for determination of various parameters of fabric to obtain specific CTI of the imported fabrics.

10.2 The Textile Committee, Mumbai vide Test Reports, reported that imported goods in respect of Bills of Entry Nos. 7756479, 7756890, 7767126 and 7767160 all dated 26.02.2026, it is revealed that the description of the imported goods are other than those declared in the respective Bills of Entry, based on the parameters of the test report of the Textile Committee, Mumbai. Thus, the importer had mis-declared the description of the imported goods.

10.3 Based on the laboratory findings as discussed in **para 7.5 above**, the imported goods were found correctly classifiable under Customs Tariff Items **59032090, 59070012, 54074290, 54075290, 54075490, 54076190, 58013300, 60019200, 60049000, 60063200 and 60063300** as against the declared classification under CTH 59039090. Thus, the importer had mis-declared the classification of the imported goods. Investigation further revealed that the quantity declared in the Bills of Entry was grossly understated. 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.

10.4 Contemporaneous import assessment data of similar goods were taken into consideration for valuation under Rule 5 and Rule 9 of the Customs Valuation Rules, 2007, as discussed at para 8 above. Applying the contemporaneous value to the actual quantity determined during investigation, the assessable value of the imported goods was re-determined at **₹9,62,64,829**/- as against the declared assessable value of **₹34,78,576**/-, thereby it emerges substantial undervaluation.

10.5 Shri Brijesh Garg, Authorised person of M/s. Apparel Trading Company, in his statement recorded dated 01.07.2026 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 revealed that M/s Apparel Trading Company knowingly filed Bills of Entry containing incorrect declarations relating to the description, classification, quantity and value of the imported goods.

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

Table-21

BE No. 7756479

Sample	Actual Qty. (Sq. Mtr.)	Re-determined AV (₹)	BCD (₹)	SWS (₹)	IGST (₹)	Total Re-determined Duty (₹)
1	38,100	6,30,250.20	1,26,050.04	12,605.00	38,445.26	1,77,100.31
2	40,260	39,10,787.96	7,82,157.59	78,215.76	2,38,558.07	10,98,931.42
3	1,14,000	1,33,05,282.00	41,04,000.00	—	8,70,464.10	49,74,464.10
4	15,000	17,64,480.00	3,52,896.00	—	1,05,868.80	4,58,764.80
5	14,400	12,30,724.80	2,88,000.00	—	75,936.24	3,63,936.24

Table-22

BE No. 7756890

Sample	Actual Qty. (Sq. Mtr.)	Adopted Value (USD/Sq. Mtr.)	Re-determined AV (₹)	BCD (₹)	SWS (₹)	IGST (₹)	Total Re-determined Duty (₹)
A	3,750	0.93	3,20,501.25	75,000.00	-	19,775.06	94,775.06
B	71,850	1.28	84,51,859.20	16,90,371.84	-	5,07,111.55	21,97,483.39
C	30,900	3.50	42,06,178.45	15,03,841.20	-	2,85,500.98	17,89,342.18
D	5,400	0.18	89,326.80	17,865.36	1786.54	5,448.93	25,100.83
E	14,100	0.30	3,88,737.00	38,873.70	3887.37	21,574.90	64335.97

Table-23

BE No. 7767126

Sample	Actual Qty.	Adopted Value	Re-determined AV (₹)	BCD (₹)	SWS (₹)	IGST (₹)	Total Re-determined Duty (₹)
A	14,458	3.50	17,48,971.88	3,49,794.38	34,979.44	1,06,687.28	4,91,461.10
B	15,076	4.14	22,08,833.41	6,67,644.00	—	1,43,823.87	8,11,467.87
C	20,567	4.14	28,10,730.62	8,49,574.00	—	1,83,015.23	10,32,589.23

Table-24

BE No. 7767160

Sample	Actual Qty.	Adopted Value	Re-determined AV (₹)	BCD (₹)	SWS (₹)	IGST (₹)	Total Re-determined Duty (₹)
A	4,45,800	1.27	5,20,30,655.40	1,60,48,800.00	—	34,03,972.77	1,94,52,772.77
B	7,425	3.50	7,29,610.76	1,45,922.15	14,592.22	44,506.26	2,05,020.62
C	15,600	3.50	13,94,429.95	4,98,552.60	—	94,649.13	5,93,201.73
D	6,840	1.66	10,43,469.36	10,26,000.00	—	1,03,473.47	11,29,473.47

Table-25

Summary of differential duty calculation in respect of all BEs (BE No. 7756479, BE No. 7756890, BE No. 7767126 and BE No. 7767160)

BE No.	BE Date	Duty Declared/Paid (₹)	CTH as per Test Report / Re-determined Classification	Re-determined AV (₹)	BCD (₹)	SWS (₹)	IGST (₹)	Total Duty Payable (₹)	Differential Duty (₹)
7756479	26.02.2026	2,47,057.80	59032090 / 60019200 / 54074290 / 54075290 / 54075490	2,08,41,524.96	56,53,103.63	90,820.76	13,29,272.47	70,73,196.87	68,26,139.07

BE No.	BE Date	Duty Declared/Paid (₹)	CTH as per Test Report / Re-determined Classification	Re-determined AV (₹)	BCD (₹)	SWS (₹)	IGST (₹)	Total Duty Payable (₹)	Differential Duty (₹)
7756890	26.02.2026	2,47,308.9	54075490 / 54075290 / 60063300 / 59032090 / 59070012	1,34,56,602.70	33,25,952.10	5673.91	8,39,411.44	41,71037.44	39,23728.54
7767126	26.02.2026	2,33,832.2	60019200 / 60041000 / 60049000	67,68,535.91	18,67,012.38	34,979.44	4,33,526.38	23,35,518.20	21,01,685.8
7767160	26.02.2026	2,49,281	54074290 / 60019200 / 60063300 / 58013300	5,51,98,165.47	1,77,19,274.75	14,592.22	36,46,601.63	2,13,80,468.59	2,11,31,187.6
TOTAL		**9,77,479.9**		**9,62,64,829**	**2,85,65,342.9**	**1,46,066.3**	**62,48,811.91**	**3,49,60,221**	**3,39,82,741.2**

11. Legal Provisions

11.1. 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.

11.2. 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]:

11.3. 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.

11.4. **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;

11.5. **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.

11.6. 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.]

11.7. 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.]

11.8. 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.]

11.9 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.

11.10 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

11.11 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:

11.12S.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.

12. CONTRAVENTISON OF PROVISION

12.1. 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 08.04.2011, 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.

12.2 The Importer, by mis-declaring the goods and mis-classifying them as detailed in the Table ibid **at para 7.5 above,** 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 malafide act to avoid the higher rate of Basic Customs Duty applicable to the actual imported fabrics. This demonstrates an intent to evade legally applicable duties. The pattern of mis-declaration and misclassification across the said consignment, indicates a clear mens-rea and an active intention on the part of the Importer to defraud the revenue. The importer, as an experienced entity in the import trade, is expected to exercise due diligence in ascertaining the correct description and classification of their imports. The willful act of the importer has resulted in short/non-levy of applicable Customs duties other taxes.

12.3 By mis-declaring the quantity, description, CTI and value of the goods with the intent to conceal the import of actual fabric and misclassifying them, importer intended to evade applicable Customs duty. This act of the importer is contrary to

the provisions of the Customs Act-1962 and has made the imported goods liable for confiscation under Section 111(m) of the Customs Act, 1962,

12.4 M/s Apparel Trading Company 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) or 112(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) or 112(b) of the Customs Act, 1962, for doing any act which renders the goods liable to confiscation.

12.5. In view of the foregoing facts, statements and documentary evidence available on record, it revealed that the misdeclaration in the Bills of Entry filed by M/s. Apparel Trading Company was deliberate and conscious in nature and cannot be attributed to a mere clerical, inadvertent or bona fide error. M/s. Apparel Trading Company is a proprietary concern of Shri Guru Charan Singh, who, being the sole proprietor, was responsible for the conduct of its business, import transactions, procurement and submission of documents and declarations before the Customs authorities. Therefore, the acts and omissions of the proprietary concern are directly attributable to Shri Guru Charan Singh in his individual capacity as its proprietor.

12.6 Multiple summon were issued to M/s. Apparel Trading Company, however, Shri Guru Charan Singh, Proprietor had not appeared for summons and he had authorized Shri Brijesh Garg to give statement. Accordingly, the statement of Shri Brijesh Garg has been considered as the version of Shri Guru Charan Singh, Proprietor of M/s. Apparel Trading Company. Shri Brijesh Garg, authorised person of M/s. Apparel Trading Company, in his voluntary statement dated 01.07.2026, has categorically admitted that the firm had submitted incorrect and false declarations before the Customs authorities at the time of import despite having knowledge that the goods actually imported were different from the goods declared in the respective Bills of Entry. The said statement constitutes material

evidence indicating that the incorrect declaration was made with knowledge of the true nature/identity of the imported goods. The statement further corroborates the documentary evidence available on record regarding the discrepancy between the goods declared in the Bills of Entry and the goods actually imported/examined.

12.7 It is pertinent that Section 46 of the Customs Act, 1962 requires the importer to make a declaration in the Bill of Entry in respect of the imported goods and to furnish the prescribed particulars and documents. Such declaration is required to be truthful and accurate in material particulars. In the present case, the declaration made in the Bills of Entry was not merely deficient in description but related to the fundamental identity/description of the imported goods. Thus, the documents presented before the Customs authorities contained particulars which were false or incorrect in material respects.

12.8 Section 114AA of the Customs Act, 1962 specifically provides for penalty where any 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 the Customs Act. The essential ingredients for invocation of Section 114AA are, therefore, that (i) there was a declaration, statement or document in connection with a customs transaction; (ii) such declaration, statement or document contained a false or incorrect material particular; and (iii) such false or incorrect declaration, statement or document was made, signed, used or caused to be made, signed or used knowingly or intentionally.

12.9 In the instant case, all the aforesaid ingredients appear to be satisfied. The Bills of Entry filed under Section 46 of the Customs Act, 1962 constitute declarations/documents for the purposes of the Customs Act. The particulars relating to the description/identity of the imported goods were materially incorrect when compared with the goods actually imported and examined. Further, the evidence on record, including the statement dated 01.07.2026 of Shri Brijesh Garg and the circumstances surrounding the import transactions, indicates that the incorrect particulars were not furnished accidentally but were knowingly and intentionally presented to the Customs authorities.

12.10 The fact that the imported goods were materially different from those declared is itself a circumstance of considerable evidentiary significance. Where the discrepancy concerns the basic identity and description of the goods, and the person responsible for the import documentation was aware of the actual goods, the making or causing of such declaration cannot ordinarily be treated as an innocent or bona fide error. The subsequent examination/detection of the actual goods and the admission made in the statement dated 01.07.2026 further strengthen the inference that the false particulars were consciously incorporated in the import documentation.

12.11 Shri Guru Charan Singh, Proprietor of M/s. Apparel Trading Company, having IEC No. LEKPS7024F, is the person legally responsible for the affairs and customs transactions of the proprietary concern. Unlike a company or incorporated entity, a proprietary concern has no separate legal personality distinct from its proprietor. Accordingly, where the evidence establishes that the proprietary concern knowingly made or caused false declarations to be presented before Customs, the penal liability arising from the proprietor's own acts, knowledge and conduct can be fastened upon the proprietor under Section 114AA. In the present case, the evidence indicates that Shri Guru Charan Singh was the person responsible for and controlling the import transactions of the proprietary concern and, therefore, cannot dissociate himself from the false declarations made in connection with those transactions.

12.12 In view of the totality of the evidence, the material discrepancy between the declared and actual goods, the nature of the misdeclaration, the statement dated 01.07.2026 of the authorised person and the fact that Shri Guru Charan Singh was the proprietor and person responsible for the affairs of M/s. Apparel Trading Company, it appears that he knowingly and intentionally made, or caused to be made and used, declarations and documents containing false or incorrect material particulars in connection with the importation of the goods. Accordingly, the statutory ingredients of Section 114AA of the Customs Act, 1962 are prima facie fulfilled and Shri Guru Charan Singh appears liable to penalty under the said Section.

12.13 Further, it is noticed that almost all the goods imported earlier by M/s Apparel Trading Company through SEZ were subsequently cleared in DTA which indicates that M/s. Apparel Trading Company indented to get these imported goods warehoused at SEZ for further DTA clearances.

13. Accordingly, M/s Apparel Trading Company, having its address at Shop No. 1, Plot No. 1G, Block Pocket-3, Section 16, Rohini, Delhi - 110089 holding IEC No. LEKPS7024F was called upon show cause to **the Additional Commissioner of Customs, 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:

(i) The goods imported under Bills of Entry Nos. **7756479, 7756890, 7767126 and 7767160 all dated 26.02.2026**, which were found to have been mis-declared in terms of description, quantity & value and were seized vide Seizure Memo, should not be reassessed under section 17 of the Customs Act, 1962 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 Items, and the applicable duties should not be re-assessed, accordingly.

(ii) The declared assessable value of Rs. **34,78,576/- (Rupees Thirty Four Lakhs Seventy Eight Thousand Five Hundred and Seventy Six Only)** should not be rejected and goods be re-assessed at ₹ **9,62,64,829**/- (**Rupees Nine Crore Sixty Two Lakhs Sixty Four Thousand Eight Hundred and Twenty Nine only)**, as discussed above.

(iii) The seized goods, as detailed in Seizure Memo dated 11.08.2026 with re-determined value of ₹**9,62,64,829**/- (**Rupees Nine Crore Sixty Two Lakhs Sixty Four Thousand Eight Hundred and Twenty Nine only**), should not be confiscated under Section 111 (m) of the Customs Act, 1962.

(iv) The differential duty amounting to **Rs. 3,39,82,741**/- **(Rupees Three Crores Thirty Nine Lakhs Eighty Two Thousand Seven Hundred and Forty One 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 Type BE filed by them.

(v) Penalty should not be imposed on M/s. Apparel Trading Company under Section 112 (a) or 112 (b) of Customs Act, 1962;

(vi) Penalty should not be imposed on Shri Guru Charan Singh, Proprietor of M/s. Apparel Trading Company under Section 114AA of Customs Act, 1962

WRITTEN SUBMISSIONS

14. The importer M/s Apparel Trading Company (Noticee No. 1), through its proprietor Shri Guru Charan Singh (Noticee No. 2), vide letters dated 17.09.2026 signed by the proprietor, has submitted the following:

14.1 Vide letter dated 17.09.2026 with the subject "Request for waiver of Show Cause Notice and Personal Hearing, permission for re-export of goods, and waiver of redemption fine and reduction of penalty in connection with SCN issued by your good office", with reference to Bill of Entry No. 7756479 dated 26-02-2026 (Container No. UETU7727312) and Bill of Entry No. 7767160 dated 26-02-2026 (Container No. MEDU9495496), they submitted as under:

> *"We respectfully submit this representation in connection with the above-mentioned import consignment, in respect of which an objection regarding the declared valuation has been raised by the Directorate of Revenue Intelligence (DRI).*
>
> *We submit that the declared value of the goods was based on the commercial documents/invoices received from the overseas supplier and there was no deliberate intention on our part to mis-declare the value or evade payment of applicable customs duty. The valuation issue has arisen during the course of examination/investigation by DRI. Further the valuation taken by DRI is very high side and not feasible to clear the consignment on the basis of higher valuation and duty payment.*

In view of the circumstances and in order to bring the matter to an early and effective conclusion, we respectfully request your good office to kindly consider the following:

(i) Waiver of Show Cause Notice: We request that, subject to the applicable provisions of the Customs Act, 1962, the requirement of issuance of a detailed Show Cause Notice may kindly be waived and the matter may be decided expeditiously on the basis of the available records and our submissions.

(ii) Waiver of Personal Hearing: We further request that, subject to the applicable provisions and at our request, the requirement of Personal Hearing may kindly be dispensed with, as we desire an early disposal of the matter and undertake to accept the decision/order passed by the competent authority in accordance with law.

(iii) Permission for Re-Export: Since the goods are presently detained/seized/held in connection with the valuation proceedings and the import transaction has become commercially unviable due to the higher valuation and consequential financial burden, we humbly request that permission may kindly be granted for re-export of the subject goods to the overseas supplier/exporter. Re-export of the goods would facilitate closure of the transaction and avoid further accumulation of port/CFS/container detention, demurrage, storage and other incidental charges.

(iv) Waiver/Reduction of Redemption fine: We respectfully submit that there was no wilful or deliberate attempt to evade customs duty or defraud the revenue. The valuation was declared on the basis of the documents and information available to us at the time of import. We therefore humbly request that the fine proposed/imposed, if any, may kindly be waived. Alternatively, considering the facts and circumstances of the case, our cooperation with the investigation and our willingness to resolve the matter, the penalty may kindly be reduced to the minimum permissible level under law.

We also request that, upon completion of the necessary formalities, appropriate permission/release order may kindly be issued at the earliest so that the goods can be re-exported without further delay and avoid unnecessary financial losses. We shall be highly obliged for your kind and sympathetic consideration of our request."

14.2 Vide another letter dated 17.09.2026 with the subject "Request for waiver of SCN/PH and waiver/reduction of fine and penalty and allow for DTA clearance",

with reference to Bills of Entry No. 7756890 and 7767126 both dated 26-02-2026, they submitted as under:

> *"With due respect, I submit this representation in connection with the Show Cause Notice (SCN) and the subsequent proceedings in the above matter.*
>
> *It is submitted that the issue has arisen primarily on account of the higher valuation adopted by the Directorate of Revenue Intelligence (DRI). The said higher valuation has resulted in substantial enhancement of the liability and has also led to the imposition of fine and penalty.*
>
> *In view of the facts and circumstances of the case, and considering that the matter is substantially dependent upon the valuation adopted by the DRI, it is humbly requested that the competent authority may kindly consider waiving the fine and penalty or, alternatively, reducing the same to the minimum permissible extent in accordance with law and the facts of the case.*
>
> *It is further requested that the we want to waiver of SCN/PH decide the matter at the earliest, also request kindly minimise the fine and penalty as value take by DRI is very high.*
>
> *I shall be grateful for your kind consideration of the above request and for an early and favourable decision in the matter enable us to clear the consignment and avoid to the further losses."*

PERSONAL HEARING

15. M/s Apparel Trading Company and its proprietor Shri Guru Charan Singh, vide letters dated 17.09.2026 signed by the proprietor, have requested waiver of Personal Hearing in the matter.

DISCUSSION AND FINDINGS

16. I have carefully gone through the Show Cause Notice, the written submissions dated 17.09.2026 filed by M/s Apparel Trading Company and the documents available on record. The noticees, vide their submissions, have requested waiver of Personal Hearing in the matter. The request for waiver of Show Cause Notice made in the said submissions has become infructuous, as the Show Cause Notice has already been issued on 25.08.2026. I find that the principles of natural justice as

provided in Section 122A of the Customs Act, 1962 have been complied with, and I proceed to decide the case on the basis of the documentary evidence available on record.

The issues to be decided by me are:

(i) Whether the goods imported under Bills of Entry Nos. **7756479, 7756890, 7767126 and 7767160 all dated 26.02.2026**, which were found to have been mis-declared in terms of description, quantity & value and were seized vide Seizure Memo, are liable to be reassessed under section 17 of the Customs Act, 1962 by mentioning the correct description, quantity and by re-classifying the same under the correct CTI, instead of the declared Customs Tariff Items, and the applicable duties are to be re-assessed, accordingly.

(ii) Whether the declared assessable value of **Rs. 34,78,576/-** (Rupees Thirty Four Lakhs Seventy Eight Thousand Five Hundred and Seventy Six Only) is liable to be rejected and goods are liable to be re-determined and re-assessed at **Rs. 9,62,64,829**/- (Rupees Nine Crore Sixty Two Lakhs Sixty Four Thousand Eight Hundred and Twenty Nine only), as discussed above.

(iii) Whether the seized goods, as detailed in Seizure Memo dated 11.08.2026 with re-determined value of **Rs. 9,62,64,829**/- (Rupees Nine Crore Sixty Two Lakhs Sixty Four Thousand Eight Hundred and Twenty Nine only), are liable to be confiscated under Section 111 (m) of the Customs Act, 1962.

(iv) Whether the differential duty amounting to **Rs. 3,39,82,741**/- (Rupees Three Crores Thirty Nine Lakhs Eighty Two Thousand Seven Hundred and Forty One Only), as discussed above, and arrived at after re-determination of value and reclassification of goods based on test reports, is liable to be re-assessed in respect of the Z Type BE filed by them.

(v) Whether penalty is imposable on M/s. Apparel Trading Company under Section 112 (a) or 112 (b) of Customs Act, 1962.

(vi) Whether penalty is imposable on Shri Guru Charan Singh, Proprietor of M/s. Apparel Trading Company under Section 114AA of Customs Act, 1962.

17. RE-CLASSIFICATION AND RE-ASSESSMENT

17.1 Regarding the first issue, I find that the goods imported by M/s. Apparel Trading Company under the above said 04 SEZ Bills of Entry were declared as "Polyester Dyed Laminated Fabric" under CTI 59039090, as detailed in Table-1, with the quantity declared in square metres, as detailed in Table-5. Representative samples drawn from the goods covered under all the Bills of Entry were forwarded to the Laboratories, Textile Committee, Mumbai for testing, as detailed in Table-2 above.

17.2 Textile Committee, Mumbai vide their test reports, has determined that the presence of dyes prohibited by the Government of India are not detected in the representative samples and reported the description of the goods as TPU Laminated Polyester laminated Woven Fabric (100% Texturised Filament Yarn), Warp knitted dyed Cut piled 100% Polyester Filament Yarn Fabric, 100% Polyamide Dyed Woven Fabric made from 100% Non-Texturized Filament Yarn - plain weave, 100% Polyester Dyed Woven Fabric made from 100% Texturized Filament Yarn, 100% Polyester printed Woven Fabric made from 100% Texturized Filament Yarn etc. as detailed in Table-4 in para 3.4, instead of the declared description "Polyester Dyed Laminated Fabric" under CTI 59039090. The test reports also determined the GSM of each variety of fabric, as detailed in Table-5. The complete re-classification of all imported goods, as per the test reports, is detailed in Table-9, supra.

17.3 I further find that Shri Brijesh Garg, authorised person of the noticee, in his statement dated 01.07.2026 recorded under Section 108 of the Customs Act, 1962, has accepted the test reports and has not disputed the proposed re-classification of the imported goods. The noticees, in their written submissions dated 17.09.2026, have also not disputed the test reports or the re-classification.

17.4 In view of the above, I hold that the goods imported under the Bills of Entry detailed in Table-1 above are liable to be re-classified under the CTIs determined on the basis of the Textile Committee, Mumbai test reports, as detailed in Table-9 supra.

17.5 I further find that the actual quantity of the imported goods has been determined on the basis of the GSM reported in the test reports and the net weight declared in the Packing Lists, which matched the weighment carried out during examination, by applying the formula Quantity (sq. m.) = Net Weight (kg) × 1000 ÷ GSM, as detailed in Table-5. Shri Brijesh Garg, authorised person of the noticee, in his statement dated 01.07.2026, has accepted that the goods were mis-declared in respect of quantity and agreed to re-assessment on the basis of the test reports and the examination panchnama; the noticees have not disputed the quantity so determined in their submissions. I find that the quantity declared in BE Nos. 7756479, 7756890 and 7767160 was understated, whereas in BE No. 7767126 the actual quantity is less than the declared quantity; however, the goods covered under BE No. 7767126 have been valued on per kg basis and the said variation has no bearing on the re-determined value. Accordingly, I hold that the goods imported under the Bills of Entry detailed in Table-1 above are liable to be re-assessed under Section 17(4) of the Customs Act, 1962 by re-classifying them as detailed in Table-9 and on the basis of the quantity determined as detailed in Table-5, supra.

18. RE-DETERMINATION OF VALUE

18.1 Regarding the second issue of rejection of the declared assessable value, I find that the valuation of imported goods is governed by the provisions of Section 14 of the Customs Act, 1962 read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (CVR, 2007). The declared transaction value in the Bills of Entry was for “Polyester Dyed Laminated Fabric” under CTI 59039090; however, the goods found on examination and testing are different from the declared goods. Further, in respect of BE Nos. 7756479, 7756890 and 7767160, the actual quantity worked out on the basis of GSM and net weight substantially exceeds the quantity declared, as detailed in Table-5.

18.2 I find that the declared value relates to goods described and classified as "Polyester Dyed Laminated Fabric" under CTI 59039090, whereas the goods actually imported comprise several different varieties of woven, knitted, pile, flocked and TPU laminated fabrics, as detailed in Table-4. Even the laminated fabrics (samples "7756479/A1" and "7756890/D1") were found to be TPU laminated, classifiable under CTI 59032090, and not under the declared CTI 59039090. The declared value, therefore, cannot be accepted as the transaction value of the goods actually imported. The mis-declaration of description and classification, coupled with understatement of quantity, gives reason to doubt the truth and accuracy of the declared value within the meaning of Rule 12 read with Rule 3(2) of CVR, 2007. Accordingly, the declared transaction value is liable to be rejected.

18.3 In terms of Rule 3(4) of CVR, 2007, the value is to be determined by proceeding sequentially through Rules 4 to 9. I find that Rule 5 of CVR, 2007 requires determination of value on the basis of the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued. I find from the SCN that the contemporaneous import data pertaining to "TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)", as detailed in Table-10 above, pertains to assessable values finalized by the Customs formations after due examination and assessment**,** and not the declared transaction values of the respective consignments. As the values reflected in the said Bills of Entry are the values finally assessed by Customs and not the transaction values declared therein, the same cannot form the basis of valuation under Rule 5; they constitute data available in India on the basis of which the value has been determined under Rule 9 of CVR, 2007. 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, and on the basis of data available in India in terms of Rule 9(1) of CVR, 2007. 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. The data of the contemporaneous import considered appropriate for determination of the imported goods under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, in respect of goods TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn) is given in Table-10 above.

18.4 With respect to the valuation of "Warp Knitted Dyed Cut Pile 100% Polyester Filament Yarn Fabric" classifiable under CTI 60019200, I find that the goods fall under CTI 60019200, imports under which, during the relevant period, were subject to the conditions of Notification No. 05/2025-26 dated 23.04.2025, whereby imports having CIF value below USD 3.5 per kg were restricted and imports having CIF value of USD 3.5 per kg and above were freely importable. The said notification was in force on the date of filing of the Bills of Entry. Contemporaneous import data of similar knitted cut pile fabrics reveals transaction values of around USD 3.5 per kg. Accordingly, the assessable value of the said goods is re-determined at USD 3.5 per kg in terms of Rule 5 of CVR, 2007, on the basis of contemporaneous imports of similar goods, as detailed in Table-11 above. As the value so re-determined is not below USD 3.5 per kg, the restriction under the said notification is not attracted on the goods as re-assessed.

18.5 With respect to the valuation of remaining varieties of Fabrics, I find that in the absence of reliable and verifiable data relating to contemporaneous imports of identical goods, the provisions of Rule 4 could not be applied. Hence, contemporaneous import data of similar goods originating from China and imported during the relevant period was examined under Rule 5 of CVR, 2007 and assessable value of the impugned goods was re-determined on weighted average in terms of Rule 5 of CVR, 2007 as detailed in Table-12 to 18.

18.6 As regards the contention of the noticee in its written submissions dated 17.09.2026 that the value adopted by DRI is on the higher side and not feasible, I find that the noticee has neither produced any evidence, such as contemporaneous imports at lower values or the manufacturer's price list, to show that the values adopted are incorrect, nor proposed any alternative value. The values have been adopted on the basis of contemporaneous imports of similar goods of Chinese origin, as detailed in Tables-10 to 18. Further, Shri Brijesh Garg, authorised person of the noticee, in his statement dated 01.07.2026 recorded

under Section 108 of the Customs Act, 1962, has accepted that the assessable value be re-assessed on the basis of the contemporaneous value of the goods actually imported and has agreed to pay the differential duty. The said statement has not been retracted. The contention of the noticee, being a bare assertion unsupported by any evidence, is therefore not acceptable.

18.7 In view of the foregoing, I hold that the declared assessable value of Rs. 34,78,576/- (Rupees Thirty Four Lakhs Seventy Eight Thousand Five Hundred and Seventy Six only) is liable to be rejected under Rule 12 read with Rule 3(2) of CVR, 2007, and the goods are liable to be re-assessed at **Rs. 9,62,64,829/-** (Rupees Nine Crore Sixty Two Lakhs Sixty Four Thousand Eight Hundred and Twenty Nine only), as detailed in Tables-19 and 20.

19. CONFISCATION

19.1 Regarding the third issue of confiscation of the seized goods, I find that the imported goods were found to be mis-declared both in terms of their description/nature and quantity, as established by the Textile Committee, Mumbai test reports and the panchnama proceedings. The goods declared as "Polyester Dyed Laminated Fabrics" under CTI 59039090 were actually found TPU Laminated Polyester laminated Woven Fabric (100% Texturised Filament Yarn), Warp knitted dyed Cut piled 100% Polyester Filament Yarn Fabric, 100% Polyamide Dyed Woven Fabric made from 100% Non-Texturized Filament Yarn - plain weave, 100% Polyester Dyed Woven Fabric made from 100% Texturized Filament Yarn, 100% Polyester printed Woven Fabric made from 100% Texturized Filament Yarn etc. as detailed in Table-4. The mis-declaration of description and quantity of goods clearly attracts confiscation under Section 111(m) of the Customs Act, 1962.

19.2 The noticee has requested re-export of the goods covered under BE No. 7756479 dated 26.02.2026 (Container No. UETU7727312) and BE No. 7767160 dated 26.02.2026 (Container No. MEDU9495496), on the ground that the import has become commercially unviable on account of the re-determined value. I find that the said goods are under seizure and have not been cleared from the SEZ to the DTA; that the goods, as re-assessed, are not prohibited goods; and that the

noticee has sought re-export in respect of these two Bills of Entry only. In these circumstances, I find that the request for re-export can be considered, subject to payment of redemption fine.

19.3 I accordingly hold that the goods covered under BE No. 7756479 and BE No. 7767160, both dated 26.02.2026, are liable to confiscation under Section 111(m) of the Customs Act, 1962, inasmuch as they were mis-declared in respect of description, classification, quantity and value. However, I find it appropriate to give the noticee an option to redeem the said goods for re-export on payment of redemption fine under Section 125 of the Customs Act, 1962.

19.4 As regards the remaining seized goods covered under the 02 Bills of Entry (BE No. 7756890 dated 26.02.2026 and 7767126 both dated 26.02.2026), I hold that the said goods are liable for confiscation under Section 111 (m) of the Customs Act, 1962. Since the said goods are not prohibited goods, I find it appropriate to give the noticee an option to redeem the said goods on payment of Redemption Fine in lieu of confiscation under Section 125 of the Customs Act, 1962.

20. <u>QUANTIFICATION OF DIFFERENTIAL DUTY</u>

20.1 Regarding the Fourth issue of differential duty arising upon re-classification and re-valuation of the imported goods, I find that consequent upon the re-classification and re-valuation as held above, the applicable customs duties on the goods have been re-determined. The total differential duty on the imported goods comes out to **3,39,82,741**/- (Rupees Three Crores Thirty Nine Lakhs Eighty Two Thousand Seven Hundred and Forty One Only)**,** as detailed in Table-25.

20.2 The noticee, through the statement dated 01.07.2026 of its authorised person Shri Brijesh Garg recorded under Section 108 of the Customs Act, 1962, has admitted the discrepancy in classification and valuation for the consignments and has agreed to the re-assessment under Section 17(4) of the Customs Act, 1962 and payment of differential duty. The differential duty figure of **Rs. 3,39,82,741/-** (Rupees Three Crores Thirty Nine Lakhs Eighty Two Thousand Seven Hundred and Forty One Only) as detailed in Table-25, includes the duty on

all 04 Bills of Entry (BE Nos. 7756479, 7756890, 7767126 and 7767160 all dated 26.02.2026) and represents the total duty sought to be evaded.

21. PENALTY ON M/S. APPAREL TRADING COMPANY

21.1 Regarding the fifth issue of penalty liability on M/s. Apparel Trading Company, I find that Section 112(a) of the Customs Act, 1962 provides for penalty on any person who does or omits to do any act which renders the goods liable to confiscation under Section 111, or abets the same. Section 112(b) provides for penalty on any person who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with goods which he knows or has reason to believe are liable to confiscation.

21.2 I find that M/s. Apparel Trading Company has imported goods by mis-declaring their description as "Polyester Dyed Laminated Fabrics" when the actual goods were TPU Laminated Polyester laminated Woven Fabric (100% Texturised Filament Yarn), Warp knitted dyed Cut piled 100% Polyester Filament Yarn Fabric, 100% Polyamide Dyed Woven Fabric made from 100% Non-Texturized Filament Yarn - plain weave, 100% Polyester Dyed Woven Fabric made from 100% Texturized Filament Yarn, 100% Polyester printed Woven Fabric made from 100% Texturized Filament Yarn etc. The importer has also mis-declared the quantities of goods. The mis-declaration is not confined to classification alone and extends to quantity mis-declaration of goods. The sheer scale and uniformity of such mis-declaration across 04 Bills of Entry establishes that it was not a result of any inadvertent error, and the deliberate choice of evading duty. These acts have rendered the goods liable to confiscation under Section 111 (m) of the Customs Act, 1962. Since the impugned goods are dutiable goods and not prohibited goods, I hold that penalty under Section 112(a)(ii) of the Customs Act, 1962 is imposable on the noticee, as quantified in the Order below. I further find that imposition of penalty simultaneously under both Section 112(a) and Section 112(b) in respect of the same act would amount to double penalty for the same offence, and accordingly I refrain from imposing penalty under Section 112(b) of the Customs Act, 1962.

22. PENALTY ON SHRI GURU CHARAN SINGH, PROPRIETOR

22.1 Regarding the sixth issue of penalty on Shri Guru Charan Singh, Proprietor of M/s. Apparel Trading Company, under Section 114AA of the Customs Act, 1962, I find that the said provision applies where 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. The Bills of Entry filed under Section 46 declared goods of several distinct varieties, falling under ten different CTIs, as a single item "Polyester Dyed Laminated Fabric" under CTI 59039090, and declared a value of **Rs. 34,78,576/-** against the re-determined value of **Rs. 9,62,64,829/-.** A mis-declaration of this nature and extent, relating to the basic identity, quantity and value of the goods, cannot be a clerical or bona fide error. Shri Guru Charan Singh is the sole proprietor of the firm and is responsible for its import transactions and the declarations made before Customs; the authorised person, in his statement dated 01.07.2026, has also stated that the declarations in the Bills of Entry were made after careful application of mind and that the firm was aware of its responsibility to file true and correct particulars. Further, Shri Guru Charan Singh did not appear despite multiple summons. In these circumstances, I find that Shri Guru Charan Singh knowingly caused false and incorrect declarations to be made and used in the Bills of Entry, and I hold that he has rendered himself liable to penalty under Section 114AA of the Customs Act, 1962.

ORDER

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

(i) I hold that the goods imported under Bills of Entry Nos. 7756479, 7756890, 7767126 and 7767160 all dated 26.02.2026 are liable to be re-assessed under Section 17(4) of the Customs Act, 1962. Accordingly, the said goods are re-classified under the correct CTI, as detailed in Table-9, supra, and re-assessed on the basis of the quantity determined as detailed in Table-5, supra, in place of the CTI and quantity declared in the respective Bills of Entry;

(ii) I hold that the declared assessable value of **Rs. 34,78,576/-** (Rupees Thirty-Four Lakhs Seventy-Eight Thousand Five Hundred and Seventy-Six Only) is rejected under Rule 12 of CVR, 2007 and the goods are re-assessed at **Rs. 9,62,64,829**/- (Rupees Nine Crore Sixty-Two Lakhs Sixty-Four Thousand Eight Hundred and Twenty-Nine only), as detailed in Table-19 & 20 in terms of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007;

(iii) Consequent upon the re-classification and re-valuation as held above, the differential duty on the imported goods comes out to **Rs. 3,39,82,741**/- (Rupees Three Crores Thirty-Nine Lakhs Eighty-Two Thousand Seven Hundred and Forty-One Only), as detailed in Table-25 supra;

(iv) I hold that the seized goods covered under the 02 Bills of Entry (BE No. 7756890 and 7767126 both dated 26.02.2026), with re-determined assessable value of **Rs. 2,02,25,139/-** (Rupees Two Crore Two Lakh Twenty-Five Thousand One Hundred Thirty-Nine Only), are liable for confiscation under Section 111(m) of the Customs Act, 1962. However, I give an option to M/s Apparel Trading Company to redeem the said goods for home consumption on payment of Redemption Fine of **Rs. 20,00,000/-** (Rupees Twenty Lakh Only) under Section 125 of the Customs Act, 1962;

(v) I hold that the goods covered under the 02 Bills of Entry (BE No. 7756479 dated 26-02-2026 (Container No. UETU7727312) and BE No. 7767160 dated 26-02-2026 (Container No. MEDU9495496)) with re-determined assessable value of **Rs. 7,60,39,690/-** (Rupees Seven Crore Sixty Lakh Thirty-Nine Thousand Six Hundred and Ninety Only), are liable for confiscation under Section 111(m) of the Customs Act, 1962. However, considering the importer's request, I give an option to redeem the said goods for re-export on payment of Redemption Fine of **Rs. 75,00,000/-** (Rupees Seventy-Five Lakh Only) under Section 125 of the Customs Act, 1962;

(vi) I impose a penalty of **Rs. 33,00,000/-** (Rupees Thirty-Three Lakh Only) on M/s Apparel Trading Company under Section 112(a)(ii) of the Customs Act, 1962;

(vii) I impose a penalty of **Rs. 2,00,000/-** (Rupees Two Lakh Only) on Shri Guru Charan Singh, Proprietor of M/s. Apparel Trading Company under Section 114AA of the Customs Act, 1962.

24. This order is issued without prejudice to any other action that may be contemplated against M/s Apparel Trading Company, Shri Guru Charan Singh, or any other person under the provisions of the Customs Act, 1962 and the rules/regulations framed thereunder or under any other law for the time being in force.

25. Show Cause Notice No. 132/2026-27/ADC/ZDC/MCH dated 25.08.2026 stands disposed of in the above terms.

Digitally signed by Dipakbhai Zala
Date: 02-11-2026 17:25:28

(DIPAK ZALA)
Additional Commissioner of Customs,
Custom House, Mundra

To,

1. M/s Apparel Trading Company (IEC No. LEKPS7024F)
   Shop No. 1, Plot No. 1G, Block Pocket-3, Section 16, Rohini, Delhi –110089.

2. Shri Guru Charan Singh, Proprietor of M/s. Apparel Trading Company,
   Shop No. 1, Plot No. 1G, Block Pocket-3, Section 16, Rohini, Delhi –110089.

Copy to:

1. The Additional Director, DRI, Ahmedabad Zonal Unit
2. The Deputy Commissioner, Review, Customs Mundra
3. The Deputy Commissioner, TRC, Customs Mundra
4. The Deputy Commissioner, EDI, Customs Mundra
5. Office Copy