

		<p>कार्यालय: प्रधान आयुक्त सीमा शुल्क, मुन्द्रा, सीमा शुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421</p> <p>OFFICE OF THE COMMISSIONER OF CUSTOMS, CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421.</p>
A	FILE NO. फाइल संख्या	CUS/APR/1132/2026-Gr 3-O/o Pr Commr-Cus-Mundra
B	OIO NO. आदेश संख्या	MCH/ADC/ZDC/712/2025-26
C	PASSED BY जारीकर्ता	Shri Dipak Zala Additional Commissioner of Customs/अपर आयुक्त सीमा शुल्क, Custom House, Mundra/कस्टम हाउस, मुंद्रा।
D	DATE OF ORDER आदेश की तारीख	17.03.2026
E	DATE OF ISSUE जारी करने की तिथि	17.03.2026
F	SCN No. & Date कारण बताओ नोटिस क्रमांक	Waived.
G	NOTICEE/ PARTY/ IMPORTER नोटिसकर्ता/पार्टी/आयातक	M/s. Bright Impex (IEC: GDMPS1443C) SCO No.3, 97 Acre Scheme, D Block, Ranjit, Amritsar, Punjab
H	DIN/दस्तावेज़ पहचान संख्या	20260371MO0000444A1F

1. यह आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।

This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

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

“सीमाशुल्क आयुक्त (अपील),
चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,
नवरंगपुरा, अहमदाबाद 380 009”

**“THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA
HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN ROAD,
NAVRANGPURA, AHMEDABAD-380 009.”**

3. उक्तअपील यहआदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए।
Appeal shall be filed within sixty days from the date of communication of this order.
4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-
Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must be accompanied by –
- (i) उक्त अपील की एक प्रति और A copy of the appeal, and
- (ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं.-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।
This copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/- (Rupees Five only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.
5. अपील ज्ञापन के साथ ड्यूटी/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये।
Proof of payment of duty / interest / fine / penalty etc. should be attached with the appeal memo.
6. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमाशुल्क अधिनियम, 1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।
While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respects.
7. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (A) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।
An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute
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ISSUE IN BRIEF:

M/s. Bright Impex (IEC: GDMPS1443C) (hereinafter referred to as 'the importer' for the sake of brevity) having address at SCO No.3, 97 Acre Scheme, D Block, Ranjit, Amritsar, Punjab had filed Bill of Entry (for SEZ Import Z Type) Nos. 5915641 dated 25.11.2025 for import of the following declared goods through Container No. ZCSU7902964:

Table-A

BE No.	Declared CTH	Declared Goods	No. of Pkgs	Declared Unit Price (in USD)	Declared Quantity	Declared Assessable Value (in Rs.)	Declared Duty (in Rs.)
5915641 dated 25.11.2025	59039090	POLYSTER LAMINATED FABRIC	1439	0.12/SQM	120632 SQM	12,95,588/-	3,64,061/-

2. An intelligence was gathered by the SIIB, Mundra wherein the imported cargo was suspected as misdeclared. The above said consignment was put on hold for examination on the basis of intelligence on suspected misdeclaration/ misclassification of goods for 100% examination. Subject consignment was examined by SIIB, Custom House, Mundra under supervision of CIU, Custom House, Mundra at M/s. M/s Holistic Global Corporation (SEZ Unit), Mundra under Panchnama dated 16.12.2025 in the presence of Shri Amol Prakash Patil, Manager, M/s Holistic Global Corporation and Authorised Representative of the Importer. Shri Amol Prakash Patil provided relevant import documents i.e. Invoices, Purchase Invoice, Packing list, Weighment Slip and other related documents. Net Weight of the Cargo on Weighment Slip is 27650 Kgs and Cargo Gross Weight in BE shows 27982 kgs.

3. Further, the seal cutting for the said containers was permitted. On opening the container, it was observed that the container was stuffed from bottom to top with fabric rolls of various colours. On examination of fabric rolls, fabric appeared same on touch and feel apart from colour difference. Thereafter, No. of rolls were

counted in the presence of Shri Amol Prakash Patil, Operation Manager, M/s Holistic Global Corporation. The details are as given below:

Table-B

Description of Goods	No. of Fabric Rolls	Average weight per roll	Total weight of cargo Found during examination (Approx)
Polyester Laminated Fabrics	1439	19.40 Kgs	27916 KGS

Further on visual examination Exact Nature, composition, description of the fabrics could not have ascertained. Thereafter a representative sample was taken for testing purpose.

3.1. Sample was sent to the CRCL, Kandla for testing, Test Report for which is as under:

The sample as received is in the form of a cut piece of dyed (black coloured) woven fabric having lamination (transparent film) on one side. The base fabric is composed of polyester filament yarn (textured) and laminated film is composed of polymeric material based on polyurethane (PU).

GSM (as such) = 129.5 Width (selvedge to selvedge) = 148cm

% Composition:-

Total Polyester: 92.47%

Lamination: Balance

Note: - The sample is laminated fabric, hence azo dye could not be ascertained.

3.2. As per the above said Test Report, the items declared are appear to be misdeclared in terms of description and classification as detailed below:

Table - C

S.No	CTH as per BE	Description of Goods as per BE	Actual CTH as	Actual Description	Remarks
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			per Test Report	of Goods as per Test Report	
1	59039090	Polyester Laminated Textile Fabrics	59032090	Polyester Dyed Laminated Fabric	Mismatch in Description and Classification

The importer vide their email dated 03.03.2026 has accepted the above test report and submitted that the importer had placed the order for Polyester Dyed Laminated Fabric on one side with Polyurethanes based Polymeric Film which is found as Polyester Dyed Fabric laminated on one side with Polyurethanes based Polymeric Film. However, the supplier has mentioned the general description in the commercial invoice and accordingly they have mentioned CTH as 59039090. He agreed that CTH of the imported item should be 59032090. He also agreed and ready to pay differential Customs duty, if any, that may arise due to change in classification along with applicable fine and penalty.

3.3. The goods imported vide Bill of Entry (for SEZ Import Z Type) Nos. 5915641 dated 25.11.2025 has been classified by the importer under CTH: 59039090 whereas as per the Re-Test Report, correct CTH of the goods appear to be 59032090. The entry under the CTH 5903 are as under:

5903

TEXTILE FABRICS, IMPREGNATED, COATED, COVERED OR LAMINATED WITH PLASTICS, OTHER THAN THOSE OF HEADING 5902

- 5903 10 - With polyvinyl chloride :
- 5903 10 10 --- Imitation leather fabrics of cotton
- 5903 10 90 --- Other
- 5903 20 - **With polyurethane :**
- 5903 20 10 --- Imitation leather fabrics, of cotton
- 5903 20 90 --- Other

From the plain reading of CTH 5903, it is clear that textile fabrics, impregnated, coated, covered or laminated with plastics, other than those of heading are classifiable under the CTH. As per the test report the goods imported vide the subject bill of entry are woven fabric laminated on one side with polymeric

thin film. Further, the fabric is composed of polyester filaments yarns and laminated polymeric film is composed of polyurethanes based polymeric compound therefore the goods are rightly classifiable under CTH 59032090.

4. Rejection of transaction value of the imported goods and determination of the value of the import goods

4. Since during the test result, the imported items has been found misdeclared in terms of CTH classification/ description/ Quantity, the declared assessable value of the goods cannot be considered as transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (CVR, 2007) and thus, the same is liable to be rejected in terms of Rule 12 of CVR, 2007.

4.1. As per Rule 3(4) of CVR, 2007, if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through rule 4 to 9.

4.2. As per Rule 3(4) of CVR, 2007, if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through rule 4 to 9. To ascertain the value of cargo, attempts have been made to get the details from the previous bills of entry filed by the importer and as well as NIDB data for similar and identical during the relevant period was done. However, due to various items without specification and detail, valuation of identical or similar items cannot be ascertained. Thus, valuation of the item under import could not be determined in terms of Rule 4 to 8 of the CV Rules, *ibid*. Therefore, valuation of the goods was found appropriate to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid* and hence, opinion of the empanelled Chartered Engineer was sought for determination of the value of the goods under import. The empanelled Chartered Engineer Shri Ajay Jhala has submitted his observations vide reports ABJ:INSP:CE:MUN:SIIB:HOL:VI:25-26:17 dated 03.03.2026. The Empanelled CE has ascertained the CIF value of the imported consignment 38,802.162 USD as item-wise details mentioned here under:

**TABLE - D
VALUATION**

USD = 88.40 INR

Sr	BE No.	Descrip	Total	Total	Per	Total	Per	Total
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No.		tion of Goods	Quant ity of goods in declar ed in Bill of Entry in SQM	Quantity of goods found after re- testing SQM (GSM found as 129.5)	Unit Decla red C.I.F. Bill of Entry value of the Goods in USD	declar ed C.I.F. Bill of Entry value of the Goods in USD	Unit Averag e Sugges tive C.I.F. Value of the Goods in bulk quantit y in USD (Appro x.)	Averag e Sugges tive C.I.F. Value of the Goods in bulk quantit y in USD (Appro x.)
1	591564 1 dated 25.11.2 025	Polyeste r Dyed Laminat ed Fabric	12063 2 SQM	2,15,567 .567 SQM	0.12 USD	13,269 .52 USD	0.18 USD	38,802. 162 USD

On perusal of the above report, it appears that Chartered Engineer after examination of the cargo has found that the total gross weight of the cargo found during the examination which comes and have been converted to Square Meter on the basis of GSM found during the test report which comes to a total of 2,15,567.567 Square meters for B.E. No. 5915641 dtd 25.11.2025 by using the formula: Area (m²) = Weight (g) / GSM. Per unit average suggestive C.I.F. value of the goods in bulk is found to be 0.18 USD/SQM and total average suggestive C.I.F. value of the goods covered under the Bill of Entry is 38,802.162 USD (Rs.34,72,794/-) whereas the importer has declared the total assessable value of the consignment covered under the Bill of Entry as Rs. 12,95,588/- [13,269.52 USD (CIF Value)]. Thus, it appears that the subjected consignment has been undervalued to the extent of Rs. 21,77,206/- on account of mis-declaration of the imported goods by the said importer.

Thus, the valuation of the imported goods needs to be rejected under Rule 12 of the CVR, 2007 and need to be re-determined. The valuation of all the items under import is required to be re-determined under Rule 9 of the Rules, ibid by way of valuation report of the Chartered Engineer on the basis of market research as discussed above. As per the report submitted by the Chartered Engineer (for CIF Value), the Assessable Value of the said imported goods covered under Bill of Entry No. 5915641 dated 25.11.2025 is liable to be determined to total Rs. 34,72,794/-.

5. Further, the importer vide their email dated 05.03.2026 submitted that they are agreed with the value ascertained for their imported products, by the empanelled Chartered Engineer as per his report dated 03.03.2026. They also submitted that they don't require any PH or Show Cause Notice in the case.

6. In view of the same, applicable duty for the CTH 59032090 is as follows

CTH 59032090: BCD 20% of the assessable value

SWS: 10 % of the BCD

IGST: 5 %

On perusal of the above, it is found that the Basic Customs duty for the goods imported goods under the CTH 59032090 is prescribed as 20% of the assessable value. Accordingly, duty is calculated considering CIF value of the goods covered under the bill of entry i.e. 5915641 dated 25.11.2025 as 38,802.162 USD (Rs. 34,72,794/-) which is as under:

Table-E

Exchange Rate: (1 USD = 88.40 INR)

Sr. No.	BE No.	Description of Goods	CTH Declared	CTH actual	CIF Value as per CE Report (in Rs)	Basic Customs Duty (in Rs.)	SWS (in Rs.)	IGST (in Rs.)	Total Duty (in Rs.)
1	5915641 dated 25.11.2025	Polyester Dyed Lamin	59039090	59032090	34,72,794	694559	69456	211840	975855

		ated Fabric							
TOTAL					34,72,79				9,75, 855
					4				

In view of the above, prima facie, it appears that the importer M/s. Bright Impex has misdeclared the goods in terms of classification, quantity and valuation wherein imported items covered under the bill of entry i.e. 5915641 dated 25.11.2025 found to be undervalued. The classification of imported goods declared as Polyester Dyed Laminated Fabric found to be misdeclared as CTH 59039090 whereas as per the test report the correct CTH for the goods is CTH 59032090 wherein valuation of the goods appears to be of 38,802.162 USD. Accordingly, the re-determined assessable value of the goods comes to Rs. 34,72,794/- on which applicable duty comes to Rs. 9,75,855/- resulting in differential duty of Rs. 6,11,794/-.

6.1. Therefore, it appears that the importer has contravened Section 17 and Section 46 of the Customs Act, 1962 and CVR, 2007 in as much as they failed to declare correct classification, quantity in square meters and value of the goods in the Customs document filed by them. These acts of omission and commission on the part of importer has made the subject goods having re-determined assessable value of Rs. 34,72,794/- liable for confiscation under Section 111 (l) and 111(m) of the Custom Act, 1962 which has rendered the importer liable for penal action under Section 112(a)(ii) and 114 AA of the said Act.

6.2. It further appears that the importer has furnished false and incorrect documents before the Customs Department for import of the subject consignment by misdeclaring the goods in terms of description and classification to evade higher duty rate. This act of omission and commission on part of the importer has rendered them liable for penal action under Section 114AA of the Customs Act, 1962.

7. RELEVANT LEGAL PROVISIONS:

(A) RELEVANT PROVISIONS OF THE SEZ ACT, 2005 AND RULES MADE THEREUNDER:

SEZ ACT, 2005

Section 2. Definitions.— In this Act, unless the context otherwise requires,

.....

(o) “import” means—

(i) bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise; or

(ii) receiving goods, or services by a Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;

Section 21. Single enforcement officer or agency for notified offences.—

(1) The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.

(2) The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.

(3) Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.

Section 22. Investigation, inspection, search or seizure.—

The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the investigation, inspection, search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:

Provided that no investigation, inspection, search or seizure shall be carried out in a Special Economic Zone by any agency or officer other than those referred to in sub-section (2) or sub-section (3) of section 21 without prior approval of the Development Commissioner concerned:

Provided further that any officer or agency, if so authorised by the Central Government, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit without prior intimation or approval of the Development Commissioner

SEZ RULES, 2006

Rule 47(5). Refund, Demand, Adjudication, Review and Appeal with regard to matters relating to authorised operations under Special Economic Zones Act, 2005, transactions, and goods and services related thereto, shall be made by the Jurisdictional Customs and Central Excise Authorities in accordance with the relevant provisions contained in the Customs Act, 1962, the Central Excise Act, 1944, and the Finance Act, 1994 and the rules made there under or the notifications issued there under.

NOTIFICATION NO. 2665(E) AND 2667(E) DATED 05.08.2016

S.O. 2665(E). In exercise of the powers conferred by sub-section (1) of section 21 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government hereby, notifies the offences contained in the under-mentioned sections of the Customs Act, 1962 (52 of 1962), the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) as offences under the Act:-

The Customs Act, 1962	
1.	Section 28, 28AA and 28AAA
2.	Section 74 and 75
3	Section 111
4.	Section 113
5.	Section 115
6.	Section 124
7.	Section 135

8.	Section 104
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S.O. 2667(E).—In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government authorises the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) and Commissioner of Central Excise in respect of offences under the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) and notified under the Act, for the reasons to be recorded in writing, to carry out the investigation, inspection, search or seizure in a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned.

(B) RELEVANT PROVISIONS OF THE CUSTOMS ACT, 1962:

Section 2. Definitions-

In this Act, unless the context otherwise requires,

(22) "goods" includes (a) vessels, aircrafts and vehicles; (b) stores; (c) baggage; (d) currency and negotiable instruments; and (e) any other kind of movable property;

(23) "import", with its grammatical variations and cognate expressions, means bringing into India from a place outside India;

(25) "imported goods", means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;

(26) "importer", in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes any owner, beneficial owner or any person holding himself out to be the importer;

(39) “smuggling”, in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113.

Section 11A. Definitions-

In this Act, unless the context otherwise requires,

(a) “illegal import” means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force.

Section 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.

Section 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 electronically on the customs automated system to the proper officer a bill of entry for home consumption or warehousing in such form and manner as may be prescribed:

....

(4) The importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and other such documents relating to the imported goods as may be prescribed.

(4A) The importer who presents a bill of entry shall ensure the following, namely:

- (a) the accuracy and completeness of the information given therein;
- (b) the authenticity and validity of any document supporting it; and
- (c) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

Section 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 in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54;

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

Any person,-

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

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

shall be liable,-

(i)

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

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

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

8. Summary of Investigations Conducted:

8.1. The importer M/s. Bright Impex (IEC: GDMPS1443C) had filed Bill of Entry (for SEZ Import Z Type) Nos. 5915641 dated 25.11.2025 for import of Polyester Dyed Laminated Fabric. The consignment was examined on 16.12.2025 wherein sample of the above said goods was drawn for testing. Samples were sent to the Central Revenues Control Laboratory, Kandla for which CRCL, Kandla has issued Test Report dated 09.01.2026 wherein the goods were found as Polyester Dyed Laminated Fabric on one side with Polyurethanes based Polymeric Film. The above said test report was shared with the importer vide email dated 03.03.2026 who vide their email dated 03.03.2026 has accepted the above said test report. As per the test report received from CRCL, Kandla, the CTH of the goods found to be falling under CTH 59032090 wherein the importer has mis-classified the goods under CTH 59039090.

8.2. The goods covered under the bill of entry i.e. 5915641 dated 25.11.2025 was having declared assessable value of Rs. 12,95,588/- and declared duty of Rs. 3,64,061/-. The assessable value of the subject consignment has been re-determined as Rs. 34,72,794/- on the basis of CE Opinion Certificate dated 03.03.2026 in view of Rule 9 of the CVR, 2007, on which applicable duty comes to Rs. 9,75,855/- as detailed in Table-E above resulting in differential duty of Rs. 6,11,794/-.

8.3. The importer has thus contravened Section 17 and Section 46 of the Customs Act, 1962 and CVR, 2007 in as much as they failed to declare correct description, classification, quantity and value of the goods and correctly assess their duty liability in the subject bill of entry filed by them. It further appears that the importer has presented false and incorrect documents before the Customs Department for import of the subject consignment by misdeclaring the goods in terms of classification and quantity to evade higher duty rate. These acts of omission and commission on the part of importer has made the subject goods having re-determined assessable value of Rs. 34,72,794/- liable for confiscation under Section 111(m) of the Customs Act, 1962 and hence, rendered the importer liable for penal action under Section 112(a)(ii) and 114AA of the said Act.

8.4. The importer vide email dated 05.03.2026 has accepted the CE report and submitted that they are ready to pay the duty accordingly and they don't require any SCN and PH against the subject shipment.

9. In view of the above facts, it appears that –

- (i) The description of the goods declared as “Polyester Laminated Textile Fabrics” imported vide bill of entry No. i.e. 5915641 dated 25.11.2025 is liable to be rejected and these goods are liable to be re-described as “Polyester Dyed Laminated Fabric”;
- (ii) The classification of the goods imported vide bill of entry No. i.e. 5915641 dated 25.11.2025 i.e. 59039090 declared by the importer is liable to be rejected and these goods are liable to be re-classified under CTH 59032090;
- (iii) The declared value of the goods i.e. Rs. 12,95,588/- imported vide the above said bill of entry i.e. 5915641 dated 25.11.2025 is liable to be rejected under Rule 12 of the CVR, 2007 and required to be re-determined as Rs. 34,72,794/- as discussed in above paras under Rule 9 of the CVR, 2007;
- (iv) Bill of Entry No. 5915641 dated 25.11.2025 is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962 on which applicable duty comes to Rs. 9,75,855/- as detailed in Table-E above resulting in differential duty of Rs. 6,11,794/-;
- (v) The declared value of the goods imported vide the above said bill of entry i.e. 5915641 dated 25.11.2025 is in contravention of Section 46 of the

Customs Act, 1962 found as misdeclared in terms of description/ classification/ quantity. Accordingly, the subject goods having re-determined value at Rs. 34,72,794/- are therefore, liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962;

- (vi) The importer M/s. Bright Impex (IEC: GDMPS1443C)) is liable for Penalty under Section 112(a)(ii) and 114 AA of the Customs Act, 1962.

SCN and Personal Hearing

10. The importer vide their email dated 05.03.2026 submitted that they agree with the value ascertained for each of the products as per the Chartered Engineer report. Further, vide their subsequent email dated 14.03.2026, they have submitted that they do not want any show cause notice or personal hearing in this matter and requested to re-export the goods for the subject Bill of Entry.

Discussion and Findings

11. I find that the importer, M/s. Bright Impex (IEC: GDMPS1443C), vide their email dated 05.03.2026, confirmed agreement with the CRCL test reports and agree with the value ascertained as per the Chartered Engineer report. Further, vide email dated 14.03.2026, they explicitly waived the issuance of Show Cause Notice (SCN) and Personal Hearing in this matter, and requested to re-export the subject goods. In view of the importer's explicit waiver of SCN and Personal Hearing, the principles of natural justice under Section 124 of the Customs Act, 1962, have been duly complied with. Considering the importer's waiver and the availability of all material evidence on record, including the Bill of Entry, examination report, CRCL test reports, Chartered Engineer report, packing list, and invoice, the case is ripe for adjudication on merits without issuance of SCN or conduct of Personal Hearing, as per the provisions of Section 124 of the Customs Act, 1962.

11.1 As the principles of natural justice stand complied with in view of the importer's explicit waiver of Show Cause Notice and personal hearing vide their emails dated 05.03.2026 and 14.03.2026, I now proceed to adjudicate the matter on merits. After going through the facts of the case as brought out in the Investigation Report, the following key issues are identified for determination:

- (i) Whether the description of the goods declared as "Polyester Laminated Textile Fabrics" imported vide bill of entry No. i.e. 5915641 dated

25.11.2025 is liable to be rejected and these goods are liable to be re-described as "Polyester Dyed Laminated Fabric".

- (ii) Whether, the classification of the goods imported vide bill of entry No. i.e. 5915641 dated 25.11.2025 i.e. 59039090 declared by the importer is liable to be rejected and these goods are liable to be re-classified under CTH 59032090.
- (iii) Whether the declared value of the goods i.e. Rs. 12,95,588/- imported vide the above said bill of entry i.e. 5915641 dated 25.11.2025 is liable to be rejected under Rule 12 of the CVR, 2007 and required to be re-determined as Rs. 34,72,794/- as discussed in above paras under Rule 9 of the CVR, 2007.
- (iv) Whether Bill of Entry No. 5915641 dated 25.11.2025 is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962 on which applicable duty comes to Rs. 9,75,855/- as detailed in Table-E above resulting in differential duty of Rs. 6,11,794/-;
- (v) Whether the declared value of the goods imported vide the above said bill of entry i.e. 5915641 dated 25.11.2025 is in contravention of Section 46 of the Customs Act, 1962 found as mis-declared in terms of description/ classification/ quantity. Accordingly, the subject goods having re-determined value at Rs. 34,72,794/- are therefore, liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962;
- (vi) Whether the importer M/s. Bright Impex (IEC: GDMPS1443C) is liable for Penalty under Section 112(a)(ii) and 114 AA of the Customs Act, 1962.

12. The Investigation Report established that the goods imported by M/s. Bright Impex (IEC: GDMPS1443C) vide Bill of Entry No. 5915641 dated 25.11.2025 (for SEZ Import Z Type) were subjected to detailed scrutiny based on intelligence indicating potential mis-declaration/concealment of goods. The consignment, declared as "Polyester Laminated Fabric" under CTH 59039090, was held for 100% examination by the Special Intelligence and Investigation Branch (SIIB), Custom House, Mundra. The examination was conducted on 16.12.2025 at M/s Holistic Global Corporation in the presence of Shri Amol Prakash Patil, Manager, M/s Holistic Global Corporation and Authorised Representative of the Importer. The examination details are summarized below:

Description of Goods	No. of Fabric Rolls	Average weight per roll	Total weight of cargo found

			During examination (Approx)
Polyester Laminated Fabrics	1439	19.40 Kgs	27916 KGS

The no of package in the consignment aligns with the declared number of packages (1439) but warranted further verification of the contents.

12.1 Representative samples were drawn and forwarded to the Central Revenues Control Laboratory (CRCL), Kandla. The key findings from the CRCL test reports is as under:

The sample as received is in the form of a cut piece of dyed (black coloured) woven fabric having lamination (transparent film) on one side. The base fabric is composed of polyester filament yarn (textured) and laminated film is composed of polymeric material based on polyurethane (PU).

GSM (as such) = 129.5 Width (selvedge to selvedge) = 148cm

% Composition:-

Total Polyester: 92.47%

Lamination: Balance

Note: - The sample is laminated fabric, hence azo dye could not be ascertained.

12.2 As per test reports received from the CRCL, Kandla, it is observed that the items declared are mis-declared in terms of description and classification as tabulated as below:

Sr. No	CTH as per BE	Description of Goods as per BE	Actual CTH as per Test Report	Actual Description of Goods as per Test Report	Remarks
1	59039090	Polyester Laminated Textile Fabrics	59032090	Polyester Dyed Laminated Fabric	Mismatch in Description and Classification

12.3 Regarding the match between declared and actual description, the declared goods as "Polyester Laminated Fabric" under CTH 59039090 do not fully correspond to the tested characteristics. The importer vide their email dated 03.03.2026 has accepted the above test report and submitted that the importer had placed the order for Polyester Dyed Laminated Fabric coated on one side with Polyurethanes based Polymeric Film which is found as Polyester Dyed Fabric laminated on one side with Polyurethanes based Polymeric Film, however, the supplier has mentioned the general description in the commercial invoice and accordingly declared CTH as 59039090 and agreed that CTH of the imported item should be 59032090 without contesting the findings.

12.4 The quality parameters confirmed varying grades (different GSM, lamination/impregnation, yarn texturing), contributing to undervaluation. The goods were unbranded.

12.5 Evidence of mis-declaration is inferred from the discrepancies in description, classification, and value. No comparable data was available from NIDB/previous imports, leading to reliance on Chartered Engineer's opinion.

12.6 The declared assessable value of Rs. 12,95,588/- (USD 13,269.52) was rejected under Rule 12 of CVR, 2007. Valuation under Rule 9 was applied via Chartered Engineer Shri Ajayrajsinh Jhala's report, ascertaining CIF value as Rs. 34,72,794/- (USD 38,802.162), resulting in undervaluation of Rs. 21,77,206/- and short-levy of duty Rs. 6,11,794/-.

12.7 Key discrepancies in description, classification and valuation is tabulated as under:-

Table-F

Sr. No.	Declared Description/CTH	Actual Description as per CRCL Test	Appropriate CTH	GSM	Declared Value (Rs. / USD)	Re-determined Value (Rs. / USD)	Undervaluation (Rs.)
1	Polyester Laminated Fabric	Polyester dyed laminated	59032090	129.5	Rs. 12,95,588 /- (USD	Rs. 34,72,794 /- (USD	Rs. 21,77,206/-

Sr. No.	Declared Description/CTH	Actual Description as per CRCL Test	Appropriate CTH	GSM	Declared Value (Rs. / USD)	Re-determined Value (Rs. / USD)	Undervaluation (Rs.)
	(59039090)	fabric			13269.52)	38,802.162),	

12.8 I find that the goods imported under the present shipment were misdeclared in respect of description, classification, valuation, and other particulars. The importer has not disputed the investigation findings and has accepted both the test reports and CE valuation. The above findings clearly establish that the importer failed to make a true and correct declaration of the imported goods as mandated under Section 46 of the Customs Act, 1962.

13. Regarding the classification - the importer declared the entire consignment uniformly under CTH 59039090, while the Investigation Report, supported by the CRCL test results, establishes classification under CTH 59032090.

13.1 Heading 5903 of the Customs Tariff Act, 1975 covers "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902". The sub-headings are structured based on the type of plastic material used. Specifically:

- CTH 590310 covers fabrics with polyvinyl chloride (PVC);
- CTH 590320 covers fabrics with polyurethane (PU);
- CTH 590390 is the residual entry covering "Other" plastics not specified elsewhere.

The declared CTH 59039090 falls under the residual "Other" category. In contrast, CTH 59032090 specifically covers "With polyurethane - Other".

The CRCL test provide the following findings:

Fabric Type	Key Test Findings	Composition	Treatment	Appropriate CTH
Type-I	The base fabric is composed of polyester filament yarn	Polyester filament yarn	Laminated with	59032090

Fabric Type	Key Test Findings	Composition	Treatment	Appropriate CTH
	(textured) and laminated film is composed of polymeric material based on polyurethane (PU).	(textured); 92.47% polyester by wt.	polyurethane (PU)	

13.2 In applying the General Rules for the Interpretation (GIR) of the First Schedule to the Customs Tariff Act, 1975:

- GIR 1 mandates classification according to the terms of the headings and relative Section or Chapter Notes Chapter Note 2 to Chapter 59 specifies that Heading 5903 applies to textile fabrics impregnated, coated, covered or laminated with plastics (compact or cellular), excluding cases where the plastic application cannot be seen with the naked eye (no account taken of colour change).
- For subject BE, the PU lamination is explicitly identified and qualifies under 5903; the specific sub-heading for polyurethane (590320) takes precedence over the residual 590390 per GIR 3(a) (more specific heading prevails).

13.3 The uniform declaration of the entire consignment under CTH 59039090 is incorrect as it ignores the specific identification of polyurethane lamination (attracting 59032090). The CRCL test reports provide scientific evidence overriding the generic declaration. The importer's acceptance of the test reports vide email dated 05.03.2026 further confirms the discrepancies.

Therefore, I hold that:

- Fabrics of subject Bill of Entry No. 5915641 dated 25.11.2025 (for SEZ Import Z Type) is correctly classifiable under CTH 59032090;

The mis-classification of the consignment has resulted in incorrect duty assessment.

14. From the above, it is evident that the importer had mis-declared the goods in terms of description, classification, and valuation. The goods were uniformly declared as "Polyester Laminated Fabric" under CTH 59039090, whereas the CRCL test reports conclusively established as polyurethane dyed (PU) laminated fabric

specifically classifiable under CTH 59032090. Further, the declared transaction value of Rs. 12,95,588/- (USD 13,269.52) does not reflect the true value, as confirmed in the absence of comparable data for identical/similar goods under Rules 4 to 8 of the Customs Valuation Rules, 2007 and the independent assessment by the empanelled Chartered Engineer, who re-determined the CIF value at Rs. 34,72,794/- (USD 38,802.162). The importer has accepted both the CRCL test reports and the Chartered Engineer's valuation without contest.

14.1 The importer, during the course of investigation, accepted the CRCL test report and further agreed with the valuation suggested by the Chartered Engineer vide, while requesting waiver of Show Cause Notice. Thus, the declared value is not acceptable as the true transaction value and merits rejection in terms of Section 14 of the Customs Act, 1962 read with Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The value is required to be re-determined by sequentially applying Rules 4 to 9 of the Customs Valuation Rules, 2007.

3. Determination of the method of valuation-

(1) Subject to rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of rule 10;

(2) Value of imported goods under sub-rule (1) shall be accepted:

Provided that -

(a) there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which -

(i) are imposed or required by law or by the public authorities in India; or

(ii) limit the geographical area in which the goods may be resold; or

i. do not substantially affect the value of the goods;

(b) the sale or price is not subject to some condition or consideration for which a value cannot be determined in respect of the goods being valued;

(c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of rule 10 of these rules; and

(d) the buyer and seller are not related, or where the buyer and seller are related, that transaction value is acceptable for customs purposes under the provisions of sub-rule (3) below.

(3) (a) Where the buyer and seller are related, the transaction value shall be accepted provided that the examination of the circumstances of the sale of the imported goods indicate that the relationship did not influence the price.

(b) In a sale between related persons, the transaction value shall be accepted, whenever the importer demonstrates that the declared value of the goods being valued, closely approximates to one of the following values ascertained at or about the same time.

(i) the transaction value of identical goods, or of similar goods, in sales to unrelated buyers in India;

(ii) the deductive value for identical goods or similar goods;

(iii) the computed value for identical goods or similar goods:

Provided that in applying the values used for comparison, due account shall be taken of demonstrated difference in commercial levels, quantity levels, adjustments in accordance with the provisions of rule 10 and cost incurred by the seller in sales in which he and the buyer are not related;

(c) substitute values shall not be established under the provisions of clause (b) of this sub-rule.

(4) if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through rule 4 to 9.

4. Transaction value of identical goods. -

(1)(a) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued;

Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.

(b) In applying this rule, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the value of imported goods.

(c) Where no sale referred to in clause (b) of sub-rule (1), is found, the transaction value of identical goods sold at a different commercial level or in different quantities or both, adjusted to take account of the difference attributable to commercial level or to the quantity or both, shall be used, provided that such adjustments shall be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustments, whether such adjustment leads to an increase or decrease in the value.

(2) Where the costs and charges referred to in sub-rule (2) of rule 10 of these rules are included in the transaction value of identical goods, an adjustment shall be made, if there are significant differences in such costs and charges between the goods being valued and the identical goods in question arising from differences in distances and means of transport.

(3) In applying this rule, if more than one transaction value of identical goods is found, the lowest such value shall be used to determine the value of imported goods.

Rule 5 (Transaction value of similar goods).-

(1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:

Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.

(2) The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, mutatis mutandis, also apply in respect of similar goods.

Further, as per Rule 6 of the CVR, 2007, if the value cannot be determined under Rule 3, 4 & 5, then the value shall be determined under Rule 7 of CVR, 2007.

Rule 7 of the CVR, 2007, stipulates that:-

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or

similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -

(i) either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;

(ii) the usual costs of transport and insurance and associated costs incurred within India;

(iii) the customs duties and other taxes payable in India by reason of importation or sale of the goods.

(2) If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule (1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of ninety days after such importation.

(3) (a) If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.

(b) In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).

Rule 8 of the CVR, 2007, stipulates that:-

Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-

(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;

(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;

(c) the cost or value of all other expenses under sub-rule (2) of rule 10.

Rule 9 of the CVR, 2007, stipulates that:-

(1) Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be

determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India;

Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.

(2) No value shall be determined under the provisions of" this rule on the basis of –

(i) the selling price in India of the goods produced in India;

(ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;

(iii) the price of the goods on the domestic market of the country of exportation;

(iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;

(v) the price of the goods for the export to a country other than India;

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

14.2 I state that "Value" has been defined under Section 2(41) of the Customs Act, 1962 as "Value", in relation to any goods, means the value thereof determined in accordance with the provisions of sub-section (1) or sub-section (2) of section 14".

14.3 The Section 14 *ibid* provides, *inter alia*, that the value of the imported goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such their conditions as may be specified in the rules made in this behalf. Further, its proviso provides that such transaction value in the case of imported goods shall include, in addition to the price as aforesaid, any amount paid or payable for costs and services, including commissions and brokerage, engineering, design work, royalties and license fees, costs of transportation to the place of importation, insurance, loading, unloading and handling charges to the extent and in the manner specified in the rules made in this behalf. I find that as per the above provision value of any imported goods is the price actually paid or payable for the goods plus the components of other

incidental charges to the extent mentioned in proviso to Section 14 *ibid* and in the manner specified in the Rules made under Section 14 *ibid*.

14.4 I find that Rule 4 (1) (a) of Rules 2007 stipulates determination of value of goods on the basis of value of identical goods. Rule 5, providing for transaction value of similar goods. I observed that the imported goods were found of different description, specification and quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value cannot be determined under Rules 4 and 5 of CVR, 2007. As per Rule 6 *ibid*, if the value cannot be determined under Rules 3, 4 and 5 same shall be determined under the provisions of Rule 7 or when same cannot be determined under that rule then under Rule 8. I also noticed that no exact sales values and data required for quantification of the deductions was available, hence, rule 7 cannot be invoked. Further, computed value, as provided under Rule 8, cannot be calculated in the absence of quantifiable data relating to cost of production, manufacture or processing of import goods. In such scenario, I find it appropriate to invoke the provisions of Rule 9 i.e. residual method for determining the value of the impugned import goods. Rule 9 provides for determination of value using reasonable means consistent with the principles and general provisions of these rules.

14.5 I find that in the absence of credible contemporaneous import data for identical or similar goods (due to the unbranded nature, varying specifications, and lack of detailed matches in NIDB/DGOV databases during the relevant period), the value of these goods cannot be determined in terms of Rules 4, 5, 6, 7, or 8 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Hence, the value is to be determined in terms of Rule 9 of the said Rules.

14.6 For the purpose of valuation, the empanelled Chartered Engineer, Shri Ajay Jhala, vide his report ref no. ABJ:INSP:CE:MUN:SIIB:HOL:VI:25-26:17 dated 03.03.2026, has suggested the valuation of the goods as detailed under Table-D at para 4.2 above. The contents of the table are not being repeated here for the sake of brevity.

14.7 In view of the above, I find that the value as provided by the Chartered Engineer has to be considered as the basis for arriving at the assessable value of these goods. I hold that the declared value in respect of the aforementioned goods

is liable to be rejected under Rule 12 of the CVR, 2007 and the same is liable to be re-determined under Section 14 of the Customs Act, 1962 read with Rule 9 of the CVR, 2007. Thus, I find it appropriate to consider the value suggested by the Chartered Engineer for the present shipment and re-determine the same at Rs. 34,72,794/- (Rupees Thirty Four Lakhs Seventy Two Thousand Seven Hundred Ninety Four only).

14.8 The re-determined assessable value is based solely on the independent expert opinion of the empanelled Chartered Engineer, as no reliable contemporaneous imports of identical or similar goods with matching specifications could be established from NIDB data or previous imports by the importer. The importer's acceptance of this valuation vide letter/email 05.03.2026 further supports its adoption.

14.9 For clarity, the re-determined value is summarized in the following table:

Sr. No.	Description (as per Test Report)	No. of Rolls	GSM	Net Weight (Kgs)	Net Quantity (SQM/Kgs)	Suggestive CIF per unit (USD)	Total CIF (USD)	Assessable Value (INR)
1	Polyester dyed (PU) laminated fabric	1439	129.5	27916	2,15,567.567 SQM	0.18 USD / SQM	38,802.162	34,72,794/-

14.10 On the basis of the re-determined assessable value of Rs. 34,72,794/-, the differential duty short-levied due to undervaluation and misclassification is calculated as follows:

Component	Amount (Rs.)
Basic Customs Duty (BCD)	6,94,559/-
Social Welfare Surcharge (SWS)	69,456/-
IGST	2,11,840/-
Total Duty	9,75,855/-
Duty declared in BE	3,64,061/-
Differential duty	6,11,794/-

This differential duty of Rs. 6,11,794/- is recoverable, in addition to the duty already self-assessed and paid on the declared value in the Bill of Entry (for SEZ Import Z Type) No. 5915641 dated 25.11.2025.

15. It is proposed in the Investigation Report that the goods are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962. In this regard, I find that Section 111 of the Customs Act, 1962 prescribes the confiscation of improperly imported goods. The relevant clauses of Section 111 are reproduced below:

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

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

15.1 In view of the facts and material evidence on record, it is clearly established that the goods imported in the present shipment have been found mis-declared in respect of description, classification, valuation and other material particulars. The imported goods were subject to the provisions of the Customs Act, 1962, including confiscation provisions for mis-declaration.

15.2 I find that the goods imported by M/s. Bright Impex (IEC: GDMPS1443C) were not correctly declared in respect of their description, classification, and value. The importer had declared the consignment uniformly as "Polyester Laminated Fabric" under CTH 59039090; however, upon laboratory testing, the goods were confirmed to comprise as Polyester dyed (PU) laminated fabric correctly classifiable under CTH 59032090. Further, the declared value did not correspond to the actual transaction value, as established by the rejection under Rule 12 of the CVR, 2007 and re-determination under Rule 9 at a higher value based on the Chartered Engineer's report.

15.3 I find that the mis-declaration of description, classification, and quantity in the Bill of Entry brings the goods within the ambit of Section 111(m) of the Customs Act, 1962, as the goods do not correspond in respect of description, classification, and other material particulars with the entry made under the

Customs Act, 1962. Additionally, the undervaluation renders the goods not correctly included in respect of value in the entry, attracting Section 111(l) read with Section 111(m). The goods are dutiable and not prohibited; however, the mis-declaration in value, description and classification, makes them liable to confiscation. Accordingly, I find that the imported goods, having re-determined assessable value of Rs. 34,72,794/-, are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

16. From the above, it is evident that the importer has mis-declared the goods in respect of description, classification, valuation, and other particulars. Thus, by these acts of omission and commission, the importer has rendered the subject goods liable for confiscation and also rendered themselves liable for penal action under the provisions of Section 112(a) of the Customs Act, 1962. I find that the importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962, as the goods are dutiable (and not prohibited) and the mis-declaration has resulted in short-levy of duty sought to be evaded.

16.1 As regards the penalty on the importer under Section 114AA of the Customs Act, 1962 is concerned, Section 114AA provides for penal action against any person who 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 business for the purposes of the Act. From the investigation and material on record, it is observed that the importer has filed the Bill of Entry (for SEZ Import Z Type) No. 5915641 dated 25.11.2025 with incorrect declaration in material particulars such as description (uniform laminated fabric instead of distinct PU-laminated), classification (CTH 59039090 instead of CTH 59032090), and value (undervalued at Rs. 12,95,588/- against re-determined Rs. 34,72,794/-). The importer had knowingly and intentionally made/signed/used and/or caused to be made/signed/used the import documents and related declarations which were false or incorrect in these material particulars. Therefore, the importer is liable to penalty under Section 114AA of the Customs Act, 1962.

16.2 With respect to the applicability of duty rate and recovery of differential duty, I confirm the calculations as discussed in the foregoing paras and hold that the differential duty of Rs. 6,11,794/- (BCD: Rs. 4,35,441.5/- + SWS: Rs. 43,544.2/- + IGST: Rs. 1,32,809.1/-) is short-levied due to mis-declaration, mis-classification, and undervaluation. The same, in addition to the duty already self-assessed and

paid on the declared value in the Bill of Entry (for SEZ import Z type) No. 5915641 dated 25.11.2025, shall be recovered accordingly.

17. As the impugned goods have been found liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962 (as discussed in para 15 above), it becomes necessary to examine whether redemption fine under Section 125 of the said Act is imposable in lieu of confiscation. The statutory provision reads as under:

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

17.1 A plain reading of the above provision shows that imposition of redemption fine is an option in lieu of confiscation. It provides for an opportunity to owner of confiscated goods for release of confiscated goods by paying redemption fine where there is no restriction on policy provision. The importer vide email dated 14.03.2026 requested for permission for re-export of the goods. I find that the Importer is involved in mis-declaration of goods in terms of description, classification and valuation. However, the importer's request for re-export of the goods can be considered on payment of redemption fine under section 125(1) of the customs act, 1962.

In view of the foregoing, I find and hold that under Section 125(1) of the Customs Act, 1962, all goods (total value Rs. 34,72,794/-) are eligible for re-export upon payment of a Redemption Fine.

18. In view of the above findings, I conclude that the importer mis-classified the goods (CTH 59039090 instead of the correct CTH 59032090), mis-declared the description of the goods, and undervalued the consignment by declaring Rs. 12,95,588/- against the re-determined value of Rs. 34,72,794/-, rendering the goods liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962, and making the importer liable to penalty under Section 112(a)(ii) and Section 114AA of the Customs Act, 1962; further, as the goods are not prohibited,

an option to redeem the confiscated goods for re-export purpose on payment of an appropriate redemption fine, is required to be extended under Section 125(1) of the Customs Act, 1962.

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

Order

(i) I reject the self-assessment made by the importer in Bill of Entry (for SEZ import Z type) No. 5915641 dated 25.11.2025 under Section 17(1) of the Customs Act, 1962. Further, I order for re-assessment of the said Bill of Entry under the provisions of Section 17(4) of the Customs Act, 1962 with the re-determined classification and value as discussed in para 13.3 and 14.9.

(ii) I reject the declared assessable value of Rs. 12,95,588/- (Rupees Twelve Lakh Ninety Five Thousand Five Hundred Eighty Eight only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and order to re-determine the same at Rs. 34,72,794/- (Rupees Thirty Four Lakh Seventy Two Thousand Seven Hundred Ninety Four only) under Rule 9 ibid, read with Section 14 of the Customs Act, 1962.

(iii) I order to confiscate the goods imported vide Bill of Entry (for SEZ import Z type) No. 5915641 dated 25.11.2025, having re-determined assessable value of Rs. 34,72,794/- (Rupees Thirty Four Lakh Seventy Two Thousand Seven Hundred Ninety Four only), under Sections 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the confiscated goods for re-export purpose only on payment of a redemption fine of Rs. 3,47,000/- (Rupees Three Lakhs Forty Seven Thousand only) under Section 125 of the Customs Act, 1962. The said option is to be availed within 120 (one hundred and twenty) days from receipt of this order.

(iv) I impose a penalty of Rs. 60,000/- (Rupees Sixty Thousand only) upon the importer, M/s. Bright Impex (IEC: GDMPS1443C), under Section 112(a)(ii) of the Customs Act, 1962.

(v) I impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand only) upon the importer, M/s. Bright Impex (IEC: GDMPS1443C), under Section 114AA of the Customs Act, 1962.

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

***Additional Commissioner,
Customs House, Mundra***

To:

M/s. Bright Impex (IEC: GDMPS1443C),
SCO No.3, 97 Acre Scheme,
D Block, Ranjit, Amritsar,
Punjab

Copy to:

1. The Deputy/Assistant Commissioner (SIIB), Customs House, Mundra.
2. The Dy./Asstt. Commissioner (Review Cell), Customs House, Mundra.
3. Concerned file