OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS

CUSTOMS HOUSE, MP & SEZ

MUNDRA, KUTCH-GUJARAT -370421

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सत्यमेव जयते

A	**FILE NO.** फ़ाइल संख्या	CUS/APR/5286/2026-Gr 3-O/o Pr Commr-Cus-Mundra
B	**OIO NO.** आदेश संख्या	MCH/ADC/ZDC/468/2026-27
C	**PASSED BY** जारीकर्ता	Dipak Zala, Additional Commissioner of Customs/अपर आयुक्त सीमा शुल्क, Custom House, Mundra/कस्टम हाउस, मुंद्रा।
D	**DATE OF ORDER** आदेश की तारीख	05.11.2026
E	**DATE OF ISSUE** जारी करने की तिथि	05-11-2026
F	**SCN No. & Date** कारण बताओ नोटिस क्रमांक	Waived.
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	M/s. Parvati Impex (EIZPG4135H)

1. यहआदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।
This Order - in - Original is granted to the concerned free of charge.

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

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

quadruplicate in Form C. A. -1 to:

"सीमाशुल्कआयुक्त) अपील(,

चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,

नवरंगपुरा,अहमदाबाद 380 009"

"THE COMMISSIONER OF CUSTOMS (APPEALS),

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

6. अपील प्रस्तुत करते समय, सीमाशुल्क) अपील (नियम, 1982और सीमाशुल्क अधिनियम,1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।
While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respects.

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

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

BRIEF FACTS OF THE CASE:

On the basis of Specific information received to this office, the goods imported by M/s. Parvati Impex, Floor No. 2nd Floor, Building/Flat No. S-1250, Haware Centurion, Plot No. 88 to 91, Sector 19A, Opposite Petrol Pump, Nerul, Navi Mumbai, Thane, Maharashtra - 400706 (IEC: EIZPG4135H), (herein after referred as "the importer" for brevity) under Bill of Entry No. Z- 3408444 dated 27.08.2026, filed at APSEZ (INAJM6), identified as high risk for mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods. The goods were destined to M/s Shoolin Tradelink LLP, APSEZ, Mundra (Kutch) Port- INAJM6. The details of the goods declared in the Bill of entry no. Z-3408444 dated 27.08.2026 are detailed below:

Table-I

Sr. No	CTH	Description	Quantity	UQC
1	59031090	Polyester Fabric with PVC Laminated Width 58"+/-10%	1,77,938	Sqm.

Examination of the Goods:

2. Whereas, the examination of the Bill of Entry No. Z- 3408444 dated 27.08.2026 was conducted on 31.08.2026 under Panchnama in the presence of Authorized Representative of the importer and SEZ unit M/s Shoolin Tradelink LLP. The goods, received in container no. MEDU4888989, were examined as per the commercial invoice. The details of weighment verified from weighment slip is as below:

Sr. No	Container no.	Description	Declared weight in BE	Weighment as per Examination
1	MEDU4888989	Polyester Fabric with PVC Laminated Width 58"+/-10%	24350	24696

During the inspection, the container's seal was found intact and matched with the details present in the Bill of Lading. The container was checked for external damage and found to be in good condition. The seal was then cut, and upon opening the container doors, it was observed that the container was loaded with rolls of fabric. All fabric rolls were subsequently unloaded with the help of laborer and stacked in open area in yard. During examination a total of 950 fabric rolls of same lengths were found. The rolls were packed in transparent plastic sheet. The rolls were opened and examined. The fabric appeared to be of two distinct types. Details of goods found during examination are as under:

Sr. No.	Type	No. of Rolls	Approx Average weight of One roll (in KGS)	Total Weight (in KGS)
1	Fabric Type-1	470	32.63	15336.10
2	Fabric Type-2	480	19.5	9360
Total		950		24696.10

Further, to ascertain exact nature and composition of the fabric, samples were drawn and sent to the lab CRCL, Kandla vide Test Memo Nos. 195/2026-27 and 196/2026-27 both dated 03.09.2026 for testing.

3. **Classification of the Goods:**

The CRCL, Kandla Lab vide their Lab report no. 3552-SIIB dated 12.10.2026 i.r.o. TM no. 195/2026-27 dated 03.09.2026 and Lab report no. 3553 dated 27.08.2026 i.r.o. TM no. 196/2026-27 both dated 03.09.2026 has submitted the following observations.

3.1. 3552-SIIB dated 12.10.2026:

In view of the above test reports, it appears that Sample merit the declared description and classification as per test reports. The relevant extract of CTH is as below:

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

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

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

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

3.2. 3553 dated 27.08.2026:

In view of the above test reports, it appears that Sample merit the declared description, however the declared classification does not appear correct as per test reports. The relevant extract of CTH is as below:

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

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

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

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

3.3 The re-determined description and classification of the goods is as below:

Table-II

Sr. No.	Re-determined Description of Goods as per Test report	Re-determined CTH of Goods as per Test report
1	PVC Laminated Polyester Fabric	59031090
2	PU Laminated Polyester Fabric	59032090

4. **Re-determination of Quantity of the Goods:**

The importer has declared the total no. of packages as 1006 with total quantity of 1,77,938 SQM in the said Bill of Entry. Further, the Representative samples of the goods forwarded to CRCL Kandla vide TM Nos. 195/2026-27 and 196/2026-27 both dated 03.09.2026. As per CRCL, Kandla Lab vide their Lab report Nos. 3552-SIIB dated 12.10.2026 and 3553 dated 27.08.2026, the GSM of the goods found as mentioned in para 3. Accordingly, the calculation of quantity is as below:

Table-III

Sr. No.	Re-determined Description of Goods as per Test report	Weight found during examination	GSM as per test report	Re-determined quantity in SQM
1	PVC Laminated Polyester Fabric	15,336.1	203.32	75,428.38
2	PU Laminated Polyester Fabric	9360	131.41	71,227.45
Total		24696.1		1,46,655.83

5. **Rejection and Determination of Valuation:**

5.1. The inconsistency observed in filing of the Bill of Entry suggests deliberate Undervaluation, mis-declaration of quantity, mis-classification and non-declaration. In the Bill of Entry No. Z- 3408444 dated 27.08.2026, submitted by the importer consist of 01 item were listed for import as detailed in Table-I above.

5.2. As imported items were found to be undervalued, mis-declared, mis-classified and undeclared in the Bill of Entry No. Z- 3408444 dated 27.08.2026,

hence they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Since, mis-declaration of the goods, in parameters such as valuation and mis-classification, was noticed, the declared value of the goods is liable to be determined in terms of Rule 12, explanation 1 (i), of the said Rules, by going sequentially from Rule 2 to 9 thereof.

Determination of valuation:

a. Efforts were made to find out the correct assessable value of the imported goods found undeclared. It was observed that the imported goods were found in different variety, 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 extracted 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 could not be determined under Rules 4 and 5 of CVR, 2007.
b. 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.
c. As the imported goods were found to be non-standard, the sale price of identical or similar goods was not available in the domestic market as the goods are miscellaneous in nature and found in different variety, description, specification, model, brand, make, sizes and quality, therefore, determination of transaction value under Rule 7 of CVR, 2007 was not possible.
d. As substantial data related to the cost or value of materials and fabrication or other processing employed in producing the imported goods required to compute the value under Rule 8 is also not available. Therefore, valuation of the impugned goods could not be ascertained under Rule 8 of CVR, 2007.
e. Hence, valuation of the goods is to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid.*

Accordingly, the Chartered Engineer was appointed for valuation of the goods. The Chartered Engineer vide his CE Report No. AYK:VAL:03129:2026 dated 27.10.2026 has suggested the valuation of the imported goods as under:

Table-IV

The chartered engineer, empanelled by the government, determined the fair value of the goods to be **Rs. 25,47,411.77/-** in contrast to the declared assessable value as **Rs. 24,03,942.38/-.**

5.3. With the introduction of self-assessment under Section 17(1) of the Customs Act, 1962, the responsibility lies squarely on the importer to

accurately self-assess the Bill of Entry and declare the correct amount of leviable duty. By failing to declare dutiable goods correctly in the Bill of Entry, the importer's actions indicate an intent to evade payment of the correct duties on the imported goods. This deliberate omission raises reasonable grounds to believe that the importer wilfully and intentionally concealed dutiable goods, thereby causing a loss to government revenue.

6. **Re-determination of Duty:**

6.1. Based on the foregoing paragraphs, it is evident that the importer has undervalued/mis-classified/mis-declared the imported goods to evade payment of duties and taxes by. The duty liability for the imported goods as per re-determined value is ascertained as under:

Table-V

Sr. No.	Description	Total Quantity	*Total Suggestive Average C.I.F. Value by C.E. (in USD)*	*Total Suggestive Average C.I.F. Value by C.E. (in INR) $=96.5*	*BCD @ 20% (in Rs.)*	*SWS @ 10% of BCD (in Rs.)*	*IGST @ 5% (in rs.)*	*Total Duty (in Rs.)*
1	PVC Laminated Polyester Fabric	75,428.38 SQM	13,577.11	13,10,191.11	2,62,038.22	26,203.82	79,921.66	3,68,164
2	PU Laminated Polyester Fabric	71,227.45 SQM	12,820.94	12,37,220.91	2,47,444.18	24,744.42	75,470.48	3,47,659
Total			28902.6	25,47,412.02	5,09,482.40	50,948.24	1,55,392.13	7,15,823

From the **Table V above**, it appears that the total duty liability of the importer is Rs. 7,15,823/-.

6.2. The importer in the BE no. Z- 3408444 dated 27.08.2026, has declared the value of the goods as Rs. 24,03,942.38/- and calculated the applicable duties and taxes on the good declared, based on the declared value and classification in the Bill of Entry as **Rs. 6,75,509/-.**

6.3. Based on the calculations from Table-V above, the importer is need to pay/levy a differential liability of Rs. 40,314/- on the mis-declared/undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the misdeclaration/undervaluation of goods.

7. **LEGAL PROVISIONS:**

7.1. **Section 2 (14)** of the Customs Act, 1962, *"**dutiable goods**" means any goods which are chargeable to duty and on which duty has not been paid*;

7.2. **SECTION 46**(4) of the Customs Act, 1962, *prescribes that the importer*

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

7 . 3 . **Section 111** of the of the Customs Act, 1962- **Confiscation of improperly imported goods, etc. as under**

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

…

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

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

…

7.4. **Section 112** of the Customs Act, 1962, penal provisions for improper importation of goods, etc. which read as under**:**

Any person, -

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

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, 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 section111,

shall be liable, -

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

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

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

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

the highest;

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

7.5. ***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.

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

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

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

(c) is given a reasonable opportunity of being heard in the matter:
Provided *that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned be oral.*

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

7.7. **SECTION 125** provides the Option to pay fine in lieu of confiscation as under:

(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods or, where such owner is not known, the person from whose possession or custody such goods have been seized, an option to pay in lieu of confiscation such fine as the said officer thinks fit:

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

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

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

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

7.8. **Relevant Provisions of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007:**

"*Rule 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;*

……..

(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 ……..

(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.

Rule 7. Deductive value.-

(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. Computed value.-

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. Residual method:-

(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.

***Rule 12. Rejection of declared value**. - (1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, he may ask the importer of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such importer, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such imported goods cannot be determined under the provisions of sub-rule (1) of rule 3.*

8. **Outcome of Investigation:**

On the basis of specific information for risk of mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods in the import consignment of M/s. Parvati Impex, Floor No. 2nd Floor, Building/Flat No. S-1250, Haware Centurion, Plot No. 88 to 91, Sector 19A, Opposite Petrol Pump, Nerul, Navi Mumbai, Thane, Maharashtra - 400706 (IEC: EIZPG4135H), under Bill of Entry No. Z- 3408444 dated 27.08.2026, filed at APSEZ (INAJM6), an investigation was initiated by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra. The investigation revealed significant irregularities in the import consignment of M/s. Parvati Impex under Bill of Entry No. Z- 3408444 dated 27.08.2026. The examination uncovered deliberate mis-declaration in quantity, mis-classification and undervaluation of goods, indicating intent to evade Customs duties. The outcomes of the investigation are as follows:

8.1. **Examination and Findings:**

- The examination of container no. MEDU4888989, conducted on 31.08.2026 under Panchnama in the presence of Authorized representative, revealed discrepancies in the goods imported by M/s. Parvati Impex under Bill of Entry No. Z-3408444 dated 27.08.2026:
- Samples were drawn and sent to CRCL, Kandla, for testing, which confirmed the goods found are other than the declared goods.
- **Declared goods**: Polyester Fabric with PVC Laminated Width 58"+/-10%, classified under the CTH 59031090.
- **Found goods**: PVC Laminated Polyester Fabric and PU Laminated Polyester Fabric that merit classification under the CTH 59031090 and 59032090 respectively, indicating mis-declaration.

8.2. **Valuation of the Goods:**

- **Declared Value**: The importer declared an assessable value of INR 24,03,942.38/-.
- **Redetermined Value**: The Chartered Engineer's report (ref no. AYK:VAL:03126:2026 dated 27.10.2026) determined the fair CIF value at USD 26,398.05/-, equivalent to INR 25,47,411.77/- (at INR 96.5/USD).
- **Valuation Method**: The declared value was rejected under Rule 12 of CVR Rules, 2007, due to undervaluation/mis-declaration and mis-classification. Valuation was determined under Rule 9 of the Customs Valuation Rules (CVR), 2007 (residual method), as values under Rules 4–8 could not be established due to lack of comparable data, non-standard nature of goods, and absence of domestic market sale prices.

8.3. **Description and Classification**:

Sr. No.	Re-determined Description of Goods as per Test report	Re-determined CTH of Goods as per Test report
1	PVC Laminated Polyester Fabric	59031090
2	PU Laminated Polyester Fabric	59032090

8.4. **Duty Evasion:**

- The importer's deliberate undervaluation resulted in a differential duty liability of INR 40,314/- (total duty liability of INR 7,15,823/- as per Table V minus declared duty of INR 6,75,509/-).

8.5. **Conclusion:**

The importer has, by their acts of omission and commission, rendered the goods found mis-classified/undervalued/mis-declared in quantity, with a re-determined assessable value of INR 25,47,411.77/- under Bill of Entry No. Z-3408444 dated 27.08.2026, liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962, and is therefore also liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. As the importer has mis-declared the quantity of the goods is also liable for penalty under Section 114AA of the Customs Act, 1962.

9 . The importer M/s. Parvati Impex, Floor No. 2nd Floor, Building/Flat No. S-1250, Haware Centurion, Plot No. 88 to 91, Sector 19A, Opposite Petrol Pump, Nerul, Navi Mumbai, Thane, Maharashtra - 400706 (IEC: EIZPG4135H) vide their letter received through email dated 28.10.2026, have requested for waiver of the Show Cause Notice and personal hearing in the matter. The lab reports were shared with the importer via email. The importer reviewed and agreed with the test report, accepting the revised classification and valuation, and requested the release of the consignment.

10. **In view of the above, it appears that:**

a. The declared description, quantity, no. of Items, Total Package and classification of the goods in the Bill of Entry No. 3408444 dated 27.08.2026 is liable to be rejected and need to be re-determined as per Table-II and Table-V.
b. The declared total assessable value of the goods, i.e., Rs. 24,03,942.38/-, is liable to be rejected and the same needs to be re-determined as Rs. 25,47,411.77/- under Rule 9 of the Customs Valuation Rules, 2007.
c. The self-assessment done by the importer is liable to be rejected and the BE needs to be re-assessed with differential duty of Rs. 40,314/- under Section 17(4) of the Customs Act, 1962.
d. The goods imported vide Bill of Entry No. 3408444 dated 27.08.2026 having re-determined value of Rs. 25,47,411.77/-, are liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962.
e. The importer is liable for penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962.

10.1 Accordingly, an investigation report no. 212/2026-27 dated 29.10.2026 has been issued by SIIB, Mundra Customs.

WRITTEN SUBMISSION AND PERSONAL HEARING

11. The importer, M/s. Parvati Impex (IEC: EIZPG4135H), vide their letter dated 31.10.2026, has requested waiver of issuance of Show Cause Notice and grant of Personal Hearing in the matter and has requested to finalize the matter.

DISCUSSION AND FINDINGS

12. I have carefully gone through Investigation Report No. 212/2026-27 dated 29.10.2026 forwarded by SIIB, Custom House, Mundra, the relied upon documents and all other material available on record. The importer, M/s. Parvati Impex, vide their email dated 28.10.2026, stated that they agree with the CE and CRCL reports and do not want any Show Cause Notice, Personal Hearing or summons. They asked that the matter be decided on merits and stated that they are ready to pay the duty, interest, fine and penalty, if any. Vide their letter dated 31.10.2026, the importer again requested waiver of the Show Cause Notice and Personal Hearing. I am satisfied that the principles of natural justice have been duly complied with. The matter is accordingly being disposed of on merits under the first proviso to Section 124 of the Customs Act, 1962.

12.1 On a careful perusal of the brief facts of the case, and in particular para 10 above, I find that the following main issues arise for consideration and

determination in this case:

(i) Whether the declared description, quantity, number of packages and classification of the goods covered under Z-Bill of Entry No. 3408444 dated 27.08.2026 are liable to be rejected and re-determined;

(ii) Whether the declared assessable value of Rs. 24,03,942.38/- is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined as Rs. 25,47,412/- (Rupees Twenty-Five Lakh Forty-Seven Thousand Four Hundred and Twelve Only) under Rule 9 ibid, read with Section 14 of the Customs Act, 1962;

(iii) Whether the Bill of Entry is liable to be re-assessed under Section 17(4) of the Customs Act, 1962 with differential duty of Rs. 40,314/-;

(iv) Whether the goods are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962; and

(v) Whether penalty is imposable on the importer under Sections 112(a)(ii) and 114AA of the Customs Act, 1962.

13. FIRST ISSUE — RE-DETERMINATION OF DESCRIPTION, QUANTITY AND CLASSIFICATION:

13.1 I find that M/s. Parvati Impex filed Z-Bill of Entry No. 3408444 dated 27.08.2026 at M/s. Shoolin Trade Link LLP (SEZ Unit), APSEZ, Mundra. The BE declared a single item, “Polyester Fabric with PVC Laminated Width 58” +/- 10%”, under CTH 59031090, with a quantity of 1,77,938 SQM at a unit price of USD 0.14/SQM and an assessable value of Rs. 24,03,942.38/-. The goods were shipped in Container No. MEDU4888989 under Bill of Lading No. MEDUAAH38104 dated 22.07.2026, against Invoice No. WF-5644 dated 17.07.2026 issued by M/s. Fabecaan International Limited, Hong Kong. The BE, the Bill of Lading and the packing list declared 935 rolls with a gross weight of 24,350 kgs.

13.2 I find that the goods were examined on 31.08.2026, and the container was found to contain **950 rolls** of fabric, which is 15 rolls more than the 935 declared. The fabric was found to be of two distinct types, as under:

Sr. No.	**Type**	**No. of Rolls**	**Average weight per roll (Kgs)**	**Total Weight (Kgs)**
1	Fabric Type-1	470	32.63	15,336.10
2	Fabric Type-2	480	19.50	9,360.00
	Total	**950**		**24,696.10**

Samples of both types were drawn and forwarded to CRCL, Kandla vide Test

Memo Nos. 195/2026-27 and 196/2026-27, both dated 03.09.2026.

13.3 Classification: I find that CRCL, Kandla has reported as under:

(a) **Lab Report No. 3552-SIIB dated 12.10.2026 (TM 195 – Fabric Type-1):** The sample is a dyed (black) woven fabric with polymeric **coating on one side**. The base fabric is composed of polyester filament yarn, and the coating is composed of compounded polyvinyl chloride (PVC). GSM is 203.32. Polyester is 24.50% by weight, the balance being PVC coating.

(b) **Lab Report No. 3553-SIIB dated 28.09.2026 (TM 196 – Fabric Type-2):** The sample is a dyed (black) woven fabric with lamination (translucent film) on one side. The base fabric is composed of textured polyester filament yarn, and the laminated film is composed of polymeric material based on **polyurethane (PU)**. GSM is 131.41, and width is 149 cm. Polyester is 93.7% by weight. CRCL has specifically reported that "**It is other than PVC laminated**".

13.4 Heading 5903 covers textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02. Within that heading, sub-heading 5903 10 covers such fabrics with polyvinyl chloride, and sub-heading 5903 20 covers such fabrics with polyurethane. I find as under:

- **Fabric Type-1** is a woven polyester fabric coated with PVC on one side only. Under Note 2(a) to Chapter 59, such fabrics remain in heading 5903 whatever the weight of the plastic, unless the fabric is completely embedded in plastic or coated on both sides. The coating here is on one side only, so the fabric remains in heading 5903 despite the high PVC content. It is correctly classifiable under **CTH 59031090**, as declared.

- **Fabric Type-2** is a woven polyester fabric laminated with polyurethane, and CRCL has confirmed that it is not PVC laminated. It therefore does not answer to the declared description "Polyester Fabric with PVC Laminated" at all. It is correctly classifiable under **CTH 59032090**.

The above classification is in terms of Rules 1 and 6 of the General Rules for the Interpretation of the First Schedule to the Customs Tariff Act, 1975.

13.5 I note that the rate of duty applicable under CTH 59032090 (BCD 20%, SWS 10% of BCD and IGST 5%) is the same as that applied by the importer under the declared CTH 59031090. The re-classification of Fabric Type-2 therefore does not by itself result in differential duty. However, it is required for correct assessment and for the correctness of the declaration in the Bill of Entry.

13.6 Quantity: I find that the goods were declared in SQM, and the quantity

actually imported can be determined from the weight found on examination and the GSM established by CRCL. Applying the formula Area (SQM) = [Weight (kg) × 1000] ÷ GSM, the quantity works out as under:

Sr. No.	**Description**	**CTH**	**Weight (Kgs)**	**GSM**	**Re-determined Quantity (SQM)**
1	PVC coated woven polyester fabric	59031090	15,336.10	203.32	75,428.38
2	PU laminated woven polyester fabric	59032090	9,360.00	131.41	71,227.45
	Total		**24,696.10**		**1,46,655.83**

13.7 I find that the total quantity actually imported, 1,46,655.83 SQM, is not the same as the 1,77,938 SQM declared. More importantly, the importer declared the entire consignment as PVC laminated fabric, whereas **480 rolls (71,227.45 SQM) were PU laminated fabric**, a different product that was not declared in the Bill of Entry. The number of rolls found (950) was also more than the number declared (935).

13.8 In view of paras 13.2 to 13.7 above, I reject the declared description, quantity, number of packages and classification. I hold that the goods are correctly described, classified and quantified as in the table at para 13.6 above. The goods are freely importable on payment of applicable Customs duty, and no prohibition or restriction applies to their import under the Foreign Trade Policy.

14. SECOND ISSUE — REJECTION OF DECLARED VALUE AND RE-DETERMINATION OF ASSESSABLE VALUE:

14.1 I find that the declared assessable value of Rs. 24,03,942.38/- (USD 24,911.32) was for 1,77,938 SQM of “Polyester Fabric with PVC Laminated” at USD 0.14/SQM. The goods actually imported are two different fabrics, PVC coated and PU laminated, in different quantities. The declared value therefore does not represent the price actually paid or payable for the goods actually imported, and it cannot be accepted as the transaction value under Rule 3(1) of the CVR, 2007. In view of the mis-declaration of description, quantity and classification, there is reasonable doubt about the truth and accuracy of the declared value. The importer has produced no evidence in support of the declared value and has instead accepted the CE’s valuation. I accordingly reject the declared value under Rule 12 of the CVR, 2007.

14.2 I find that contemporaneous import data for identical or similar goods of the same description, composition and GSM was not available, so the value could not be determined under Rules 4 and 5 of the CVR, 2007. There was also no data on resale prices in India or on cost of production, so the value could not be determined under Rules 7 and 8 ibid. The value is therefore required to be

determined under Rule 9 (Residual Method) of the CVR, 2007, using reasonable means consistent with the principles and general provisions of the Rules.

14.3 I find that Shri Anwar Y. Kukad, Chartered Engineer & Government Approved Valuer, inspected the goods on 16.09.2026. Vide Report No. AYK:VAL:03129:2026 dated 27.10.2026, he determined the CIF value of the goods as under:

Sr. No.	**Description**	**Quantity (SQM)**	**Unit CIF (USD/SQM)**	**Total CIF (USD)**	**Total CIF (Rs.) @ Rs. 96.50/USD**
1	PVC coated woven polyester fabric	75,428.38	0.18	13,577.11	13,10,191.11
2	PU laminated woven polyester fabric	71,227.45	0.18	12,820.94	12,37,220.91
	Total	**1,46,655.83**		**26,398.05**	**25,47,412.02**

14.4 I find that the importer has accepted the CE's valuation without any objection vide email dated 28.10.2026. I accordingly reject the declared assessable value of Rs. 24,03,942.38/- under Rule 12 of the CVR, 2007. I re-determine the assessable value at Rs. 25,47,412/- under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962.

15. THIRD ISSUE — RE-DETERMINATION OF DUTY AND RE-ASSESSMENT:

15.1 I find that on the basis of the re-determined description, classification, quantity and assessable value, the Customs duty leviable works out as under:

Sr. No.	**Description**	**CTH**	**Assessable Value (Rs.)**	**BCD @20% (Rs.)**	**SWS @10% of BCD (Rs.)**	**IGST @5% (Rs.)**	**Total Duty (Rs.)**
1	PVC coated woven polyester fabric	59031090	13,10,191	2,62,038	26,204	79,922	3,68,164
2	PU laminated woven polyester fabric	59032090	12,37,221	2,47,444	24,744	75,470	3,47,659
	Total		**25,47,412**	**5,09,482**	**50,948**	**1,55,392**	**7,15,823**

15.2 I find that the importer had self-assessed duty of Rs. 6,75,509/- in the Bill of Entry. The differential duty accordingly works out to **Rs. 40,314/-**

(Rupees Forty Thousand Three Hundred and Fourteen Only), i.e. Rs. 7,15,823/- minus Rs. 6,75,509/-.

15.3 I accordingly order re-assessment of Z-Bill of Entry No. 3408444 dated 27.08.2026 under Section 17(4) of the Customs Act, 1962, with the correct description, classification, quantity, assessable value and duty as discussed above.

16. FOURTH ISSUE — CONFISCATION OF GOODS:

16.1 I find that the imported goods are liable for confiscation on the following grounds:

(a) **Section 111(l):** The importer declared only PVC laminated fabric in the Bill of Entry. The 480 rolls (71,227.45 SQM) of PU laminated fabric, having a re-determined value of Rs. 12,37,221/-, are a different product that was not included in the entry. Further, 950 rolls were found against 935 declared. These dutiable goods, not included or in excess of those included in the entry made under the Customs Act, 1962, are liable for confiscation under Section 111(l) of the Customs Act, 1962.

(b) **Section 111(m):** The goods do not correspond with the entry made under the Act in respect of description, quantity, classification and value:

- one fabric (PVC laminated) was declared, whereas two different fabrics (PVC coated and PU laminated) were found;
- the declared quantity of 1,77,938 SQM in 935 rolls is against 1,46,655.83 SQM in 950 rolls found;
- the declared value of Rs. 24,03,942.38/- is against a re-determined value of Rs. 25,47,412/-.

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

16.2 Accordingly, I find that the entire consignment of 950 rolls (1,46,655.83 SQM) of polyester fabric covered under Z-Bill of Entry No. 3408444 dated 27.08.2026, in Container No. MEDU4888989, lying at M/s. Shoolin Trade Link LLP (SEZ Unit), APSEZ, Mundra, having a re-determined assessable value of Rs. 25,47,412/-, is liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

16.3 As the impugned goods are found liable for confiscation, I find it necessary to consider whether a redemption fine under Section 125 of the Customs Act, 1962 is to be imposed in lieu of confiscation. Section 125 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."

16.4 I find that the imported goods are freely importable and are not prohibited goods. In the case of non-prohibited goods, Section 125(1) mandates that the adjudicating authority shall give the owner an option to pay a fine in lieu of confiscation. I accordingly give M/s. Parvati Impex an option to redeem the said goods on payment of redemption fine under Section 125(1) of the Customs Act, 1962. In terms of Section 125(2) ibid, this is in addition to the applicable Customs duty and charges, including the differential duty, if any.

17. FIFTH ISSUE — PENALTIES:

17.1 Penalty under Section 112(a)(ii) of the Customs Act, 1962:

I find that M/s. Parvati Impex:

- declared the entire consignment as PVC laminated fabric, whereas 480 rolls were PU laminated fabric;
- mis-declared the number of rolls and the quantity; and
- undervalued the goods (Rs. 24,03,942.38/- declared against Rs. 25,47,412/- re-determined).

These acts and omissions contravene Sections 46(4) and 46(4A) of the Customs Act, 1962. By them, the importer rendered the goods liable for confiscation under Sections 111(l) and 111(m) ibid, resulting in a short levy of duty of Rs. 40,314/-. The goods are dutiable goods and not prohibited goods. I accordingly find that M/s. Parvati Impex has rendered itself liable for penalty under Section 112(a)(ii) of the Customs Act, 1962. As 10% of the duty sought to be evaded (Rs. 4,031/-) is less than Rs. 5,000/-, the penalty under this clause may extend to Rs. 5,000/-.

17.2 Penalty under Section 114AA of the Customs Act, 1962:

I find that M/s. Parvati Impex filed the Bill of Entry themselves, without a Customs Broker. They made, signed and used Z-Bill of Entry No. 3408444 dated 27.08.2026 together with the supporting invoice and packing list. These documents were false and incorrect in the following material particulars:

(i) the entire consignment was described as “Polyester Fabric with PVC Laminated”, whereas about half of it (480 rolls) was PU laminated fabric, which CRCL has confirmed is “other than PVC laminated”;

(ii) the number of rolls was declared as 935, whereas 950 rolls were found;

(iii) the declared quantity of 1,77,938 SQM did not correspond with the 1,46,655.83 SQM actually imported; and

(iv) the declared value did not correspond with the value of the goods actually imported.

The importer is the buyer who placed the order and paid for the goods, and cannot be unaware that two different fabrics were contracted for and shipped. The two fabrics were also visibly different on examination, in weight per roll (32.63 kgs against 19.5 kgs) and in GSM. The importer has also accepted the findings without contest. I therefore find that the false declarations were made knowingly in the transaction of business for the purposes of the Customs Act, 1962. M/s. Parvati Impex has accordingly rendered itself liable for penalty under Section 114AA of the Customs Act, 1962.

18. In view of the aforesaid discussions and findings, I pass the following order:

ORDER

(i) I reject the declared description, quantity, number of packages and classification of the goods covered under Z-Bill of Entry No. 3408444 dated 27.08.2026. I order that the goods be re-described, re-classified and re-quantified as discussed in Table-II, III & V supra.

(ii) I reject the declared assessable value of Rs. 24,03,942/- (Rupees Twenty-Four Lakh Three Thousand Nine Hundred and Forty-Two Only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. I re-determine the assessable value at **Rs. 25,47,412/-** (Rupees Twenty-Five Lakh Forty-Seven Thousand Four Hundred and Twelve Only) under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962.

(iii) I order re-assessment of Z-Bill of Entry No. 3408444 dated 27.08.2026 under Section 17(4) of the Customs Act, 1962, with total duty of Rs. 7,15,823/- (Rupees Seven Lakh Fifteen Thousand Eight Hundred and Twenty-Three Only), resulting in differential duty of **Rs. 40,314/-** (Rupees Forty Thousand Three Hundred and Fourteen Only).

(iv) I order confiscation of the imported goods, i.e. 950 rolls (1,46,655.83 SQM) of polyester fabric having a re-determined value of Rs. 25,47,412/-, under Sections 111(l) and 111(m) of the Customs Act, 1962. However, I give M/s.

Parvati Impex an option to redeem the said goods on payment of a Redemption Fine of **Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand Only)** under Section 125(1) of the Customs Act, 1962.

(v) I impose a penalty of **Rs. 5,000/- (Rupees Five Thousand Only)** on M/s. Parvati Impex (IEC: EIZPG4135H) under Section 112(a)(ii) of the Customs Act, 1962.

(vi) I impose a penalty of **Rs. 10,000/- (Rupees Ten Thousand Only)** on M/s. Parvati Impex (IEC: EIZPG4135H) under Section 114AA of the Customs Act, 1962.

19. This Order-in-Original is issued without prejudice to any other action that may be taken against M/s. Parvati Impex or any other person under the provisions of the Customs Act, 1962, or any rules, regulations or notifications made thereunder, or under any other law for the time being in force.

Digitally signed by Dipakbhai Zala
Date: 05-11-2026 13:28:11

(DIPAK ZALA)
Additional Commissioner of Customs,
Mundra Customs

To,
M/s. Parvati Impex (IEC: EIZPG4135H)
Office No. S-1250, 2nd Floor, Haware Centurion,
Plot No. 88 to 91, Sector-19A, Nerul,
Navi Mumbai, Thane, Maharashtra – 400706

Copy to:

1. The Additional Commissioner (SIIB), Custom House, Mundra
2. The Dy./Asstt. Commissioner (RRA/TRC), Custom House, Mundra
3. The Dy./Asstt. Commissioner (EDI), Custom House, Mundra